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AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON INDIAN AFFAIRS

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

S. 2047

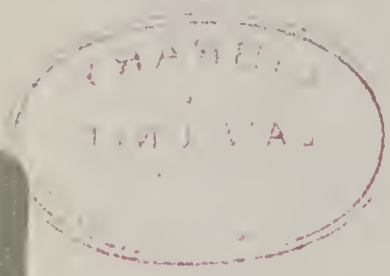
A BILL TO PROVIDE FOR THE ACQUISITION BY THE UNITED STATES OF ALL TRIBAL LANDS OF THE KLAMATH TRIBE OF INDIANS

OCTOBER 2 AND 4, 1957

PART 1

Printed for the use of the Committee on Interior and Insular Affairs

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AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

OCTOBER 2, 1957

UNITED STATES AND SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Klamath Falls, Oreg.

The hearing convened at the county courthouse, Klamath Falls, Oreg., at 10 a. m., Senator Richard L. Neuberger presiding.

Also present: James Gamble, chief clerk, and Robert Wolf, forestry consultant, Subcommittee on Indian Affairs.

Senator NEUBERGER. May we come to order, please? The Chair would like to make a preliminary statement and explain some of the background of these hearings. Before I do that, however, I should like to say that we are very pleased and very honored that a substantial number of members of the Oregon State Legislature interim committee on Indian affairs and Indian problems has come here today to be with us as observers. One of their members will present a statement later on in the day. They are here as our guests, and tomorrow morning it is to be my pleasure, I hope, to have them as guests at breakfast and to discuss with them some of these very urgent issues which confront our State particularly and the Nation in general.

I would like to introduce the members of the interim committee who have come today and if they will stand, I will introduce them individually: Senator Lee Quiring, from Umatilla County; Representative John Kerbow, Klamath County; Representative Sam Wilderman, Multnomah County; Hon. David C. Epps, of Lincoln County; and Hon. Leroy Gienger, of Klamath County. We are delighted that you men have come, and we feel that it is a very encouraging indication of interest on the part of our State.

I want to explain, also, for the record and for those present, why only one member of the Senate Indian Affairs Subcommittee is here today. We have just come through one of the longest congressional sessions in the peacetime history of the United States. This means that many of the Members of the Senate, if not, indeed, most of the Members of the Senate, are trying to get some much-needed rest. I was authorized by the other four members of both the Democratic and Republican Parties who serve on the Senate Indian Affairs Subcommittee to hold these hearings at Klamath Falls and at Portland and to bring back a hearing record. This hearing record will be printed and will be distributed among the members of the committee, as well as all other Members of the Senate and interested groups in the general public. Then, based on that hearing record, my colleagues on the

Indian Affairs Subcommittee of the Senate will base their decision regarding the future of all of these problems which confront the resources and people of the Klamath Indian Reservation.

So, although there is only one member of the subcommittee here today, the chairman of the subcommittee, I think everybody should know that what is said for the hearing record will be studied by the other members of the subcommittee as well as the 15 members of the full Senate Interior Committee, and, on the substantive record and on the facts and information presented for this record, will be premised such a verdict as is reached by the Congress of the United States.

I now should like to read my prepared statement, which will give some further background and will help illuminate the position of the administrative arm of the Government on this question.

In my capacity as chairman of the Subcommittee on Indian Affairs, I would like to begin these hearings by welcoming all of you in attendance today. I think it would be proper for me to make a short statement explaining some of the recent developments which have brought the Senate Subcommittee on Indian Affairs to Klamath Falls at this time, in order that the record may be clear.

One year ago we held hearings in this very room on the subject of the Klamath Termination Act of 1954. At that meeting the Management Specialists charged with the responsibility of carrying out Public Law 587, 83d Congress, brought to our attention the need for amending the law to provide additional time in which to solve the many complex problems that had arisen in connection with termination. They pointed out that a large percentage of the Klamath Indians probably would elect to withdraw from the tribe, and that such action could result in the wholesale liquidation of the timber assets of the reservation. Mr. Watters, in his testimony before this committee on October 18, 1956, stated:

> After studying the basic qualities of each proposal the Management Specialists now believe that the most feasible method for terminating the Federal Government's present trust responsibility in a manner that will safeguard the long-term welfare of tribal members as well as the economy of the community is through the purchase of the Klamath tribal property by the Federal Government.

We were also told by the Klamath Executive Committee that Federal purchase of the tribal assets appeared to be the only solution that would prevent the destruction of the Klamath forest property. The testimony furnished us by Mr. Watters and his associates, members of the Klamath Tribe, conservationists, church groups and individuals was forceful and cogent, and made a deep impression on subcommittee members.

At the outset of the 85th Congress, I introduced for Senator Wayne Morse and myself a bill, S. 469, to defer the sales of tribal assets, extend the final termination date to 1961, and provide for full reimbursement to the tribe for all termination costs. The bill also made certain other desirable changes in Public Law 587. We succeeded in having this proposed legislation passed by the Senate on March 8, 1957. Following consideration by the Indian Subcommittee of the House of Representatives, S. 469 passed the House on June 21, although in amended form. Because there were two versions of the

bill, it was necessary for the two committees to confer to work out our differences. In my judgment, the Senate had passed a more equitable bill, a more fair bill, and I tried to convince our colleagues that the Senate bill provided a more realistic approach to the existing problem. However, the House members were adamant in their position, and in order to obtain a bill of any sort we agreed to their language. S. 469 was signed by President Eisenhower on August 14, and is now referred to as Public Law 85–132.

I mention this sequence of events to show the difficulties I have encountered in attempting to restore some order to this situation. I want to take this opportunity to state for the record my deep appreciation to Senator Murray, the chairman of the Senate Interior Committee, and the members of the Indian Subcommittee for the understanding and assistance they have given me in my efforts to find a workable solution to the Klamath problem. I regret that the other members of the subcommittee could not be here today, but they have informed me that other commitments prevent their participation.

Many of you may wonder what the Congress had in mind when Public Law 132 was enacted, and what we hope to accomplish through this hearing. Let me quote to you from the Senate report which accompanied my bill, S. 469, when that legislation was reported to the Senate.

> The primary purpose of S. 469, as amended, is to delay the sales of tribal property belonging to the Klamath Indians until the end of the 2d session of the 85th Congress. Such a delay period will afford Congress an opportunity to consider alternative means of protecting the economy and preserving good conservation practices in the Klamath Basin.

By the terms of Public Law 132, we now have approximately 11 months in which to come up with these alternative plans for preserving the forest on the reservation. That leaves very little time in which to hold hearings, sponsor legislation, move it through the legislative process and have it signed by the President of the United States. Therefore, I have scheduled these hearings in Klamath Falls and in Portland—and I wish to say that I apologize for scheduling these hearings on world series day, but they were scheduled prior to the time we noticed the start of the world series—for the purpose of receiving recommendations and suggestions from the members of the tribe, the Management Specialists, and other interested groups on how we should proceed. I feel it is absolutely essential that we in Oregon, both Indian owners of these lands and private citizens, build a record at this hearing that will serve as a guide to Congress in formulating a program that will be fair in all respects to the Klamath Indians in giving them a fair return on their property, and yet afford an opportunity to retain the timberlands under a form of sustained yield management.

As you know, I have introduced a bill, S. 2047, which would provide for Federal acquisition of the reservation timberlands, and management of these assets by the United States Forest Service. It would also provide for the purchase of the marshlands, and management of that area by the Fish and Wildlife Service. Senator Wayne Morse, the senior Senator from Oregon, is cosponsor with me of this legislation. I will insert a copy of the bill in the record at this point.

(S. 2047 is as follows:)

[S. 2047, 85th Cong., 1st sess.]

A BILL To provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians

Be it enacted by the Senate and House of Representatives of the United States of Ameriea in Congress assembled, That (a) section 2 of the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (68 Stat. 718), is amended by striking out paragraphs (d) and (e) of such section and inserting in lieu thereof the following:

"(d) 'Tribal property' means any personal property, or any interest in personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to restriction against alienation imposed by the United States.

"(e) 'Adult' means a person who is an adult according to the law of the place of his residence.

"(f) 'Tribal lands' means any real property, interests therein, or improvements thereon, including timber and water rights, which belong to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States."

(b) The first paragraph of subsection (a) of section 5 of such Act is amended by striking out "by practicable logging or other appropriate economic units".

(c) Section 12 of such Act is amended by striking out "transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this Act" and inserting in lieu thereof "acquisition by the Secretary of the tribal lands referred to in this Act".

(d) Such Act is amended by adding at the end thereof the following new sections:

"SEC. 27. Notwithstanding any other provision of this Act, the Secretary shall purchase from the Klamath Indian Tribe all tribal lands of such tribe at the fair market value thereof as determined in accordance with the provisions of section 28 of this Act.

"SEC. 28. (a) There is hereby established an appraisal board to be composed of three qualified appraisers who have had wide experience in the valuation of timberlands, agricultural lands, and grazing lands, one of whom shall be appointed by the Secretary of the Interior and one of whom shall be appointed by the Secretary of Agriculture. The third member of the Board shall be elected by the Klamath Tribe by popular vote of the enrolled adult members of the Klamath Tribe taken by secret ballot.

"(b) It shall be the duty of the appraisal board to determine the fair market value of all tribal lands of the Klamath Tribe, and to report to the Committee on Interior and Insular Affairs of each House of the Congress during the Eighty-fifth Congress the results of such determination. Such report shall be submitted to both committees on the same day. In the event of disagreement among members of the appraisal board as to the fair market value, such value shall be determined by a majority of the board.

"(c) The appraisal provided for under this section shall become effective upon the expiration of a period of sixty calendar days of continuous session of the Congress following the date on which the appraisal board reports to such committees the results of its determination in accordance with the provisions of this section. For the purposes of this section—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

"SEC. 29. (a) Any part of the tract of tribal lands acquired pursuant to section 27 of this Act which consists of timberlands under sustained-yield management shall be transferred to and administered by the Forest Service of the Department of Agriculture as national forest lands. Such lands shall be administered in the same manner and to the same extent as are other national

forest lands, and shall be subject to the same laws applicable to other national forest lands.

"(b) The Secretary of Agriculture is authorized and empowered, under general regulations established by him, to permit the use of rights-of-way through lands referred to in this section for beneficial purposes.

"SEC. 30. (a) Any remaining tribal lands acquired pursuant to section 27 of this Act, other than lands referred to in subsection (b) of this section, shall be sold on a competitive bid basis, except that any member enrolled under section 3 of this Act who wishes to purchase any of the agricultural or grazing lands comprising such remaining tribal lands shall have a priority right to purchase any part of such lands for not less than the highest offer received by competitive bid, and to apply toward the purchase price all or any part of the sum payable to such member pursuant to section 31 of this Act.

"(b) That portion of the tract of tribal lands acquired pursuant to section 27 of this Act comprising approximately seventy thousand acres of Klamath marsh lands shall be administered by the Fish and Wildlife Service of the Department of the Interior.

"SEC. 31. Notwithstanding any other provision of this Act, the Secretary shall pay, at the earliest practicable time but in no event later than one year after the acquisition by the United States of the tribal lands referred to in this Act, to each member of the Klamath tribe enrolled pursuant to section 3 of this Act, or to his heirs, his pro rata share of the purchase price of such tribal lands.

"SEC. 32. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act."

Senator NEUBERGER. This proposal is only one possible method of preventing the gutting of the ponderosa-pine forest and preserving the feeding and nesting grounds for the waterfowl following the Pacific flyway. There may be other means of accomplishing this end, such as purchase of the reservation by the State of Oregon, and I have suggested to State officials that they give us their reaction to this alternative at our Portland meeting on October 4.

In letters dated August 21 and August 29 I requested that the Secretary of the Interior and the Secretary of Agriculture provide our committee with departmental reports on S. 2047 by October 2. I have received a tentative report addressed to me from Secretary Seaton dated September 26, 1957.

I want to introduce Mr. James H. Gamble, who is chief clerk of the Senate Indian Affairs Subcommittee, who is with us today, on my left, and Mr. Robert Wolf, forester for the committee, who is here on my right. And, Mr. Gamble, I think it is sufficiently important that you read into the record, so that the people here may hear it directly, Secretary Seaton's views on S. 2047.

Mr. GAMBLE. This letter is dated September 26, 1957, addressed to Senator Neuberger as chairman of the Senate Subcommittee on Indian Affairs:

"DEAR SENATOR NEUBERGER: In recent conversation with Mr. H. Rex Lee, Legislative Associate Commissioner of Indian Affairs, and again in a letter dated September 9, 1957, you asked that the departmental report on S. 2047, relating to Federal acquisition of the Klamath Indian Forest, be submitted prior to the scheduled hearings in Oregon on October 2, if possible.

"We appreciate your interest in the subject, and shall cooperate fully in the effort to provide for the conservation of the timber resources of the reservation in a manner that recognizes and safeguards the property rights of the Indians. We regret that it will not be possible for the Department to have ready by October 2 a final report on S. 2047,

but we can outline for the benefit of the committee some of our present thoughts on the subject. You will understand, I am sure, that these thoughts are tentative and are still under active study. We, as well as your committee, are still seeking the most feasible solution to the problem.

"We believe that the conservation of this timber resource is of primary importance to the economy of the area and to the welfare of the public generally. In recognition of this fact, Congress has deferred and sales of tribal forest lands until after the end of the 2d session of the 85th Congress in order that Congress may determine whether further legislation with respect to the forest will be enacted.

"Congress has determined by the act of August 13, 1954 (68 Stat. 718), that a continuation of the Federal trust over the property of the Klamath Indians would not be in the best interest of he Indians. As would be the case in any group, however, certain individuals may not be qualified to handle a large capital asset with reasonable prudence, and the 1954 statute requires the Secretary of the Interior to safeguard the interests of these individuals by arranging for the appointment of guardians through the State courts or by such other means as he deems adequate, which could include, for example, the establishment of individual involuntary private trusts for them.

"The essence of the 1954 act is that the Klamath Indians shall be freed of all Federal restraints applicable to them because of their Indian origin, and that they shall be placed in the same status as all other citizens, subject to no special restrictions or rights. Inasmuch as existing Federal and State laws do not require the owners of large forest resources to maintain them intact and to manage them on a sustained-yield basis in the interests of conservation, the Klamath Indians should not be subject to any such restrictions when the Federal trust is terminated.

"The manner in which the Klamath Reservation forest area is managed in the future, however, will have a vital impact on the life and economy of the entire Klamath River Basin.

"Kept intact through continued management according to conservation principles of sustained yield, the forest will remain a perpetually productive source of ponderosa pine and other commercial species. Such management would also assure continuation of its important function as a watershed. The large numbers of migratory waterfowl for which it now provides nesting and feeding grounds would be protected, as would the deer and other species of wild animals that now find sanctuary within its boundaries. Further development of the forest's recreational potential would be made possible.

"Were sustained-yield management to be abandoned and the forest broken up and disposed of in small individual tracts to bring the highest price, it is our belief that all these values soon would be lost.

"We believe that the likelihood of the forest's being dissipated in this fashion is a matter for genuine concern.

"Section 5 of Public Law 587 provides that each adult member of the Klamath Indian Tribe shall be given an opportunity to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him, or to remain in the tribe and participate in a tribal-management plan. Inasmuch as the forest resources represent approximately 90 percent of the total value of all Klamath tribal

property, it is probable that a major portion of these resources must be sold in order to pay those members who elect to withdraw from the tribe. Based on the findings of a survey conducted by the Stanford Research Institute among tribal members on the Klamath Reservation during August and September 1955, it appears that approximately 70 percent of the members may elect to withdraw from the tribe. If this were to happen, as much as 2,660 million board-feet of tribally owned timber might have to be sold from the reservation lands prior to August 13, 1960, in order to comply with the provisions of section 5 of the law. This sales program would be carried out concurrently with the removal of restrictions from allotted timber which, in itself, will make approximately 225 million board-feet available for purchase during a period af approximately 2 years in an economic area with an installed capacity that can cut, at the most, 400 million board-feet per year.

"It is doubtful whether sustained-yield management would be continued on a very large portion of the timber area if it is sold without restriction in small economic units. The Management Specialists, who have responsibilty for the sales of these units, are obligated under the law to obtain on behalf of the withdrawing members the greatest possible return from these sales. This obligation means that a sizable portion of the area to be sold would have to be sold in small-sized units in order to obtain the greatest amount of competition possible. It is doubtful that such small units, within themselves, can furnish a sustained cut for even the smallest of sawmills.

"In this connection, it should also be noted that State laws do not require sustained-yield management by private operators.

"The tremendously disruptive influence that cutting over of the Klamath Reservation forest lands would have on the economy of the basin is not difficult to contemplate when it is realized that 40 percent of the area's economy is based on timber production. The importance of the reservation timber to the Klamath economy is evident from the fact that it includes about 26 percent of the total commercial-forest area and 26 percent of the sawtimber volume in Klamath County.

"Other values of the forest as a management unit, while less tangible than timber, are of significant importance and must be considered in the public interest.

"In the fall, waterfowl by the millions, following the Pacific flyway, pour into the upper Klamath Basin to rest and feed before continuing southward to their wintering grounds. The marsh on the Klamath Reservation is the most important marsh to waterfowl that is left unprotected in the Nation. This nesting area has been one of the mainstays in keeping up the supply of redheads, canvasbacks, and ruddy ducks in the Pacific flyway. Deer and other wild creatures also find year-round habitat in the forest.

"The influence which the Klamath Reservation forest has in reducing flood crests and stabilizing the flow of streams throughout the year should, in itself, warrant measures being taken to prevent the timber from being cut to the minimum specifications of the State law. Approximately 303,000 acres of irrigated farmlands are dependent on streams that head on the forest slopes of the Klamath Basin.

"Further, the maximum development of waterpower on the Klamath River cannot be realized without the protection of its headwaters. A

large part of the extensive water resource of the Klamath Basin originates in the many large springs found on reservation lands. Cutting over of the Klamath Reservation forest well might jeopardize the farm production and the waterpower developments dependent on the watershed protection provided by this forest.

"Too, denuding this area of its forest cover would destroy its scenic and recreational appeal, and the slash left from hurry-up logging operations would tend to increase the fire hazard.

"When it is considered that this 745,280-acre tribally owned forest area, described as one of the finest of its type, now is contributing so vitally to the general welfare of the Klamath River Basin and to the Nation it must be concluded that any action that would, in the long run, diminish or eliminate those benefits should be avoided.

"This Department believes that only through sustained yield management of the forest can its timber, water, wildlife, and recreational resources be maintained forever, and that further legislation for that purpose is desirable.

"The two problems confronting both the Federal Government and the State of Oregon are protecting the property rights of the Klamath Indians on the one hand, and providing for the sustained yield management of an important natural-resource area on the other. Public ownership would accomplish both of these objectives. If there is any reasonable alternative to public ownership which would accomplish the same results, we believe such an alternative should be thoroughly explored.

"It is our purpose to cooperate fully with your committee, and the Congress, in the successful application of the Termination Act in a manner which will accomplish the objective of protecting the values existing in these lands for the benefit of the Klamath Indians and, at the same time, protecting a resource important to the Klamath community, the State of Oregon, and the Nation.

"The views expressed in this letter are tentative. We shall, however, have a departmental report and recommendation ready for the consideration of your committee early next session.

"The Bureau of the Budget advises us that it has no objection to the submission of this report.

"Sincerely yours,

"FRED A. SEATON,
"*Secretary of the Interior.*"

Senator NEUBERGER. Thank you, Mr. Gamble. I also will insert without objection at this time a letter from Acting Secretary of Agriculture Don Paarlberg, of the Department of Agriculture, explaining why that Department cannot submit a report now.

(The letter referred to is as follows:)

DEAR SENATOR NEUBERGER: Reference is made to your letter of August 29 requesting a report on your bill, S. 2047, prior to scheduled hearings in Klamath Falls and Portland early in October.

This bill and the general question of disposition of Klamath Indian tribal timberlands are being studied with great care in the Department. A report will be submitted as soon as practicable and after necessary Bureau of the Budget clearance. But in view of the complexities of the situation and the many factors that must be considered, we do not expect that a report can be submitted to the committee prior to the scheduled date of the hearings in October.

Sincerely yours,

DON PAARLBERG, *Acting Secretary.*

Senator NEUBERGER. I am immensely heartened and pleased by this encouragement for our proposal from Secretary Seaton, and I hope that by the beginning of the 2d session of the 85th Congress we may have a final report so that the committee can proceed to act on this measure.

By means of the press and through individual letters, we have attempted to notify and invite all of those who have expressed an interest in this Klamath program in the past to appear and testify. We have asked the private timber operators, and others in the lumber industry, to give us the benefit of their views with respect to the disposition that should be made of the forest. Many of these groups have accepted our invitation and some of them are present today. Others, such as the Western Pine Association, have declined to take any position. This is regrettable because, with only a few months available to us to establish a new course of action, it is imperative that each of us contributes his thinking on what should be done.

At this point, Mr. Gamble, I think we should insert in the record the letter which we have received from the Western Pine Association, and I wish to emphasize for the Western Pine Association and all others who have declined to submit their views that I think that this is disturbing and regrettable. We are right up against the gun as to time. When the 2d session of the 85th Congress ends, which will probably be in July or August of 1958, the management specialists then are authorized to commence disposing of these resources. If Congress has not adopted a new policy by that time, then the existing policy will apply and the timber will have to be disposed of on the piecemeal basis which Secretary Seaton has so forcibly warned against. And when a great organization representing many lumber producers such as the Western Pine Association declines to submit their views, it seems to me that they have deliberately left a vacuum as to their own wishes and recommendations in this matter, because I doubt if there will be any opportunity other than these hearings at Klamath Falls or Portland for these views to be submitted.

(The letter referred to is as follows:)

WESTERN PINE ASSOCIATION,
Portland, Oreg.

DEAR SENATOR NEUBERGER: I have your letter of September 9 regarding the Klamath Reservation, and the hearings to be held at Klamath Falls and Portland on this subject. Your invitation to me to testify or submit a statement is greatly appreciated.

Our association has taken no position on the Klamath matter. We, of course, are most anxious to assure the continuation of a permanent forest-management program that began on this tract in 1913 and has been in operation ever since. We appreciate that this property is the heritage of the Klamath Indians and its disposal or future management should be handled along lines of greatest long-term benefit to the Indians.

I note with interest the statement in your letter that you consider the proposal of S. 2047 for purchase by the Federal Government as only one suggested way of protecting the reservation timberlands, and that you appreciate there may be other sound solutions.

I, too, feel that it may be premature to form opinions on this most complex matter, especially in view of the fact that the appraisal report by the board of specialists has not yet been released. We find general approval of your move to delay sale of the Klamath property so as to achieve a more orderly disposal program. When the appraisal report is available, many of us look forward to making a full review of it with the hope that this may be the basis for wise decision.

Very truly yours,

ERNEST L. KOLBE, *Forester.*

Senator NEUBERGER. I also wish to emphasize that our invitations to testify were sent without regard to political affiliation, to the size of the economic unit which is cutting timber, and so forth. We expressly requested all views regardless of what they are or whether they agree with our own or not.

We have a long list of witnesses and desire to hear everyone who has something to say. Therefore, it will be helpful to me if statements are confined to the subject matter under consideration. In the event any witness does not have sufficient time to complete his presentation, he will be afforded every opportunity to submit his views in writing before the hearing record is closed.

I believe that we should begin by hearing from the Management Specialists, Mr. Tom Watters and Mr. Eugene Favell; and, following their presentation, I will call upon members of the Klamath Tribe, beginning with representatives from the tribal council.

Mr. Watters, I think it would be helpful if you would give the committee a résumé of the activities of your group over the past year with particular emphasis on the status of the appraisal of tribal assets and the proposed plans for the management of the residual tribal property after the election has taken place by which the Klamaths will decide whether to withdraw from membership, or remain in the tribe.

Mr. Watters, I understand that Mr. Favell is in the hospital.

Mr. WATTERS. That is correct, Senator.

Senator NEUBERGER. I would like to say before you begin to testify that all of us—and I know I speak for Senator Murray and others from our very pleasant personal association with Mr. Favell—wish him a very complete and early recovery, and I hope you will transmit that message to him.

Mr. WATTERS. I certainly will.

Senator NEUBERGER. I want to say this before you commence presentation of your statement. As chairman of the Indian Affairs Subcommittee, and prior to that as a member, I have been very favorably impressed by the conscientious manner in which you and Mr. Favell have approached this very great problem. I regretted very much when some members of the House Indian Affairs Subcommittee made against you and Mr. Favell earlier this year what I regard as a very unfair personal attack.

We are very pleased to have you here today and we welcome the presentation of your views.

STATEMENT OF T. B. WATTERS, CHAIRMAN, MANAGEMENT SPECIALISTS

Mr. WATTERS. Thank you very much, Senator. Since we presented our position on what we thought should be done to correct the deficiencies as we saw them in the original Public Law 587, we presented our thinking to you a year ago at your committee meeting here, and since that time we have seen no reason to change our minds on the position we took at that time, and, therefore, this document that I am submitting has nothing to do with the policy of amendments. It is simply a progress report to bring you up to date.

The primary purpose of this report is to outline the recent progress that has been made in the execution of our duties under provisions

of section 5 of the Klamath Termination Act. A complete statement of our activities prior to May of 1957 is contained in our letter of May 14, 1957, addressed to Chairman Clair Engle of the House Committee on Interior and Insular Affairs. Inasmuch as that letter has been printed in the official record of the hearings held by the House subcommittee during February and March of 1957, we do not intend, at this time, to make a detailed statement concerning the activities which have been covered in that letter. However, the letter contained several facts which should be emphasized by restatement. These are as follows:

1. Although we have suggested ways in which we believe the Klamath termination law can be amended in order to better protect the interests of both the Klamath Indian people and the community in which most of them shall continue to live, we have not deliberately delayed, in any way, the execution of our primary responsibilities required by the statute and by our contract with the Secretary of the Interior.

2. The execution of the provisions of the law is not nearly as simple as it might appear to be to those who are not closely in contact with the actual administration of those provisions.

3. Most of the work which we have undertaken to date has had no established precedent that could be used as a pattern. The very fact that our work establishes such a pattern that may be followed in the terminal programs for other timbered reservations makes it even more obligatory that errors in procedure be discovered and eliminated. The failure of our present work, either from a conservation or from a social viewpoint, might well turn the tide of public opinion against the entire Indian termination program.

4. Any faults in the basic provisions of the law, or in the execution of those basic provisions, will be regarded by the Klamath Indian people as a breach of the Federal Government's trust responsibility. Members of the tribe have told this committee at previous hearings that: "The United States makes a mistake and gives the Indian another bad break * * * it will be possible to sue Uncle Sam." It is apparent that great care must be exercised before any major steps are taken. Even then it will only be possible to minimize the chances of future litigation.

We have emphasized the foregoing facts because they must be recognized and thoroughly understood in order to properly evaluate the progress that has been made under the law.

Our activities since the early part of May 1957 have been related principally to three of our major duties. These are, first, the review of the appraisal report for the Klamath tribal property; second, the completion of the initial draft and the first revision of the tentative plan of management for tribal members who elect to remain in a management program; and, third, preparatory work necessary for the conduct of the tribal election. Because of the importance of each of these activities we will elaborate on the recent progress that has been made on each.

The complete appraisal report, prepared under contract by the Western Timber Services, was not available for review until May 13, 1957. Prior to that time, however, parts of the report had been

received and, in fact, certain corrections had already been completed by that time.

The initial review of the appraisal report would have been a formidable undertaking had our office tried to conduct it alone. The complete report is contained in 5 separate volumes with a total of some 1,150 pages. The information contained therein is supported by statistical data which has required approximately 3,500 standard-size IBM sheets to reproduce.

Because of the size of the review project, it was conducted as a joint project by the Portland area office of the Bureau of Indian Affairs and personnel of our office. Additional help was furnished by employees of the Klamath Indian Agency. Altogether over 150 man-days were spent in making the initial review of the appraisal, and at least that much time has been devoted to subsequent checks of items contained in the appraisal.

As might be expected in an appraisal of such magnitude, numerous errors were discovered which would need to be corrected before the appraisal could be used for its intended purpose. Accordingly, acting with the concurrence of the Secretary of the Interior, the appraisal report, in its entirety, was returned to the appraisers for the necessary corrections.

Unfortunately, some of the errors which were discovered in the appraisal had been made in the basic data and in the fundamental procedures used in the report. In order to correct these errors it was necessary for the appraisers to rewrite almost the entire document. Thus, the correction of the appraisal became a lengthy, time-consuming process which had not been anticipated in the earlier planning of the work to be performed.

During the time that the appraisers were making the necessary corrections, Public Law 85–132 was enacted, extending the period of time in which the sales of economic units for withdrawing members would be accomplished. Because of the extended sales priod it was considered necessary to obtain a revision in the appraised values to reflect those values if the property were to be sold during the longer period of time than had previously been considered available for the sales. In order to obtain this revision in values, an additional work order was executed after obtaining the advance approval of the Secretary of the Interior. The additional work order calls for the completion of the revisions by October 21, 1957.

Immediately before starting our work on the initial review of the appraisal report we had completed the first draft of the tentative plan of management for the members of the Klamath Tribe who were to elect to remain under a management program. An advance copy of this plan was transmitted to the Secretary of the Interior on May 9, 1957. Then, in order to expedite the completion of an acceptable plan, our staff forester spent the week of May 20 to 24 in a review of the tentative plan with personnel of the Bureau of Indian Affairs in Washington, D. C. This review, and subsequent informal discussions with departmental representatives, have resulted in the making of several changes in the tentative plan. These changes were completed and copies of the first revision of the tentative plan were transmitted to the Secretary of the Interior on August 31, 1957. At the same time, the proposed tentative plan was made available for the

study of tribal members. We have been advised that the tentative plan will not be formally approved by the Secretary of the Interior until tribal members have had sufficient opportunity to thoroughly study it and to suggest changes which they consider to be desirable.

Another of the principal duties which we are required to perform under provisions of section 5 of the statute is the conduct of the election of tribal mmebers to determine those who wish to withdraw from the tribe. Already much work has been as the basis for the conduct of an orderly election. In this respect, both the appraisal of tribal property and the preparation of the management plan must be considered as basic requirements for the conduct of the election. A general knowledge of both are essential in order for tribal members to understand the merits of each of the two possible choices which they may make.

In addition to the time that we have spent on the appraisal and on the preparation of the management plan, we have devoted much time to studying the mechanics to be followed in conducting the election. Although the general procedures of the election have been outlined in a letter of instructions from the Secretary of the Interior, the detailed implementation of those instructions will require intensive preparatory work. Also, in order to furnish the electors with as much advance information as is currently available, a relatively detailed information bulletin has been prepared. A copy of this bulletin will be mailed to each eligible elector as soon as it has been approved for distribution by the Secretary of the Interior.

Even while carrying out the duties required by the law we have been aware that the full execution of those duties may eventually result in serious injury to the economy of the upper Klamath Basin. We have also been aware that the present law jeopardizes the long-term welfare of many of the Klamath Indian people, most of whom have indicated a desire to remain in the local community. The social implications of the law alone should warrant positive steps being taken to prevent the law from being carried out as it is now written.

We have believed that it was our responsibility to bring the possible detrimental effects of the law to the attention of the Subcommittees on Indian Affairs. We have believed, further, that in doing so we should suggest amendments to the law that would provide adequate safeguards. We have recommended Federal purchase of the Klamath tribal property as being the best means for providing such safeguards. Although our original proposal for Federal purchase of the Klamath tribal property was first discussed publicly as long ago as the hearing conducted by this Senate subcommittee on May 18, 1956, we still believe that Federal acquisition of the Klamath tribal property presents the only method by which it will be possible to accomplish termination without jeopardizing, to some extent, either the interests of the Klamath people or those of the community.

In conclusion we restate what we have included in our letter of May 14, 1957, to Chairman Clair Engle of the House Interior Committee. We believe that our primary responsibilities, as required by the statute, have been accomplished as rapidly as possible to be accomplished in an orderly manner under existing conditions. In carrying out these responsibilities we became convinced that the sales program required by the law may prove to be detrimental to the long-

term interests of the Klamath Indians and the local community. Had we allowed these to develop without bringing them to the attention of the Subcommittees on Indian Affairs, then we rightfully could have been accused of neglect of our responsibilities—not only our responsibilities as management specialists, but also our responsibilities as citizens of the United States.

Senator NEUBERGER. Thank you very much, Mr. Watters, we appreciate your statement. There are several questions I would like to ask you because you have been chairman, as I understand it, of the Management Specialists since their formation; is that correct?

Mr. WATTERS. That is correct.

Senator NEUBERGER. From what date would that stem?

Mr. WATTERS. May 10, I think.

Senator NEUBERGER. Of what year?

Mr. WATTERS. Of—I think it was 1955.

Senator NEUBERGER. In other words, you have now been chairman of the Management Specialists nearly 2½ years. The meat of the coconut seems to me to be this question: From your experience during that period with this very grave and urgent problem, do you see any feasible alternative to Federal purchase?

Mr. WATTERS. Well, we have discussed it with everybody that was willing to discuss it with us, or wanted to discuss it with us. We have made the statement that we are still in favor of free enterprise, and if anyone can show us where this job can be done under free enterprise and the Indians still get their fair share, we will be forever thankful. We have no one who has been able to do that, or even attempted to do it.

Senator NEUBERGER. In other words, and I return to this question because I want you to know that your answers are going to be studied very carefully by members of the Senate Interior Committee, and in fact by all the Members of the United States Senate if this legislation reaches the floor of the Senate: Has there been presented to you during that period and in the discussions which you have mentioned, any reasonable or feasible alternative to Federal purchase?

Mr. WATTERS. Well, no. There have been discussions, but no plan that I recall right now.

Senator NEBUERGER. Thank you, Mr. Watters. I want to ask you several other questions regarding the procedures in Public Law 587. As presently written, Public Law 587 provides a very limited time for you and your associates to dispose of this vast supply of timber; is that correct?

Mr. WATTERS. The 2-year extension?

Senaor NEUBERGER. No, I mean under Public Law 587 you have a very limited time in which to dispose of the timber.

Mr. WATTERS. Well, yes. The original law would not have provided sufficient time.

Senator NEUBERGER. There would not have been enough time?

Mr. WATTERS. No. That is, it was impossible.

Senator NEUBERGER. Now, even under the extension which we were very fortunate to get through Congress, as you know from your own visits there, even under the extension, the time in which to dispose of these timber assets is very limited; is that correct?

Mr. WATTERS. That is correct.

Senator NEUBERGER. You have to have the entire issue and problem wrapped up, terminated, by August 13, 1960; is that correct?

Mr. WATTERS. Yes. That is as we understand it.

Senator NEUBERGER. What would be the effect of this very hasty sale on the value of the timber which you and your associates would liquidate?

Mr. WATTERS. Senator, you realize that my knowledge of timber is limited, but—from my understanding in talking with our forester and other foresters and lumbermen, even the 2-year period is not nearly enough to prevent this resource from being destroyed.

Senator NEUBERGER. In other words, to have to dispose of this great quantity of timber in so short a period would have a depressing effect on the value of the timber?

Mr. WATTERS. Yes. I think any qualified businessman would say that. If you are going to sell that much timber in an area that has only 380 million board-feet of mill capacity in a period of some 21 or 22 months, there will be a very depressing effect on the value of that timber.

Senator NEUBERGER. I think that is very obvious, and I don't have the knowledge of timber matters that you do. I want you to understand that, but having been born in the State of Oregon and having lived here all my life, I at least know what happens to timber values when a vast supply like this is put on the market, but I am asking you these questions so they will be in the record, because I do know that other members of the committee have a great respect for the experience that you and your associates have had with this problem.

How would you propose that the sustained-yield management which has existed on the Klamath Reservation under supervision of the Indian Affairs Bureau and the foresters, be continued?

Mr. WATTERS. That is if the Government should purchase the property?

Senator NEUBERGER. That is correct.

Mr. WATTERS. Well, as I understand it, Senator, this Klamath pine forest has been managed under sustained-yield basis, and all reports we get, a good job has been done and I could see no reason why if the Government purchased this property they wouldn't continue to manage it on the same basis which it has been managed in the past.

Senator NEUBERGER. The bill which we have under consideration, S. 2047, provides that this timber, the very considerable and very valuable stand of timber on the reservation, would come under custodianship by the United States Forest Service. Do you see any objection to that?

Mr. WATTERS. We feel that that is not our decision to make—I certainly wouldn't be in a position to recommend which agency of the Government should take it because I just don't know.

Senator NEUBERGER. In other words, your only interest in the matter is that it be under some form of sustained-yield public management by an agency of Government qualified to do so?

Mr. WATTERS. That is right. And I think that is as far as we should go, Senator.

Senator NEUBERGER. I understand your reluctance, let's say, to pick between Government bureaus. In the extensive report that you and your associates have made, you have suggested a private trustee for those Klamaths who decide in the election to remain within the tribe.

Mr. WATTERS. That is correct, yes.

Senator NEUBERGER. Would you regard this procedure superior to some other, such as a corporation?

Mr. WATTERS. Under the circumstances; yes.

Senator NEUBERGER. Why?

Mr. WATTERS. Well, it is stated by all the different leaders, so-called leaders, of the tribe, that the Klamath Indian is not capable to run a corporation. We took a survey of our own and we got out of some 118 answers, the Indians preferred corporate control, or trusteeship. 116 said non-Indian control, trust. They preferred non-Indian control, and that, of course, meant the Indians themselves said they preferred non-Indian control of their assets.

Senator NEUBERGER. Do you think the Stanford survey is accurate as to the percentage of Indians who will elect to remain within some form of tribal unit?

Mr. WATTERS. Well, both our survey and I believe the educational made a survey——

Senator NEUBERGER. State department of education.

Mr. WATTERS. Our survey shows approximately 26 per cent, I think, a little less than the Stanford. Stanford showed 30; we showed a little less.

Senator NEUBERGER. Isn't there a proposed 5-year sale to be made for the Indians who elect to remain in?

Mr. WATTERS. Yes.

Senator NEUBERGER. What effect do you think that will have on timber values?

Mr. WATTERS. Well, if that sale is made during the time that you are selling the balance of the tribal land, and during the time you are selling the alloted lands that are left, you have 3 sales of timber there in addition to this 3 billion we are talking about, you have alloted lands that I assume will be selling, and if we sell the other land, you have 3 groups of sales, different sales of Klamath Tribe, competing against each other.

Senator NEUBERGER. And competing against other timber sales in the basin, as well.

Mr. WATTERS. That is right.

Senator NEUBERGER. In other words, this could have a crushing and depressing effect on all timber values in this part of the State of Oregon if these sales were to take place concurrently in a relatively short period of time. Is that not correct?

Mr. WATTERS. Now, Senator, I am not saying that as an expert on timber. I am saying it from the viewpoint of what I hope can be called, a practical businessman, that that can't be done.

Senator NEUBERGER. Well, it seems obvious to me, and you do have the benefit of advice of foresters like Mr. Wilcox and others; is that not correct?

Mr. WATTERS. Yes, that is right.

Senator NEUBERGER. Have they so advised you?

Mr. WATTERS. Yes.

Senator NEUBERGER. Mr. Wolf, do you want to ask some questions about that particular phase?

Mr. WOLF. No. I think you have covered that, Senator.

Senator NEUBERGER. I don't have any more particular questions unless something that you or Mr. Gamble bring up for Mr. Watters. Do you have some questions for Mr. Watters, Mr. Gamble?

Mr. GAMBLE. Mr. Chairman, I wonder if perhaps it might be helpful in this hearing record if the summary of the proposed plan of management for the group of Indians who remain in the tribe were inserted in the record. It is contained in the document entitled "Tentative Plan of Management and Recommended Form of Legal Entity for the Klamath Indian People," which has been prepared by the Management Specialists.

Senator NEUBERGER. I think it would be well to have it in the record. Will you make reference to the pages so we will know what to include?

Mr. GAMBLE. It begins on page 6 of the document and runs through page 12.

Senator NEUBERGER. Inasmuch as we are inserting documents that are pertinent to this question, I am going to insert for the hearing record the report of the Management Specialists, the audit of their expenditure of funds for the period May 8, 1955, to June 30, 1957. From time to time questions arise, both from Members of the Congress and members of the public as to the manner in which the Management Specialists are expending funds to carry out their responsibilities, and I think it would be useful for the hearing record and a proper text for them if this entire audit were included, and I am sure Mr. Watters will agree with me. You would agree with me that that should be included?

Mr. WATTERS. Yes; I do.

(The documents referred to follow:)

SUMMARY OF TENTATIVE PLAN OF MANAGEMENT AND RECOMMENDED FORM OF LEGAL ENTITY FOR THE KLAMATH INDIAN PEOPLE

This summary contains the principal conclusions and proposals of the tentative plan of management prepared under provisions of section 5 of the Klamath termination law, as amended. A more detailed discussion of the plan appears in the detailed report available for study at the Klamath Indian Agency, the Indian Education Office, Chiloquin, Oreg., and the office of the Management Specialists, 139 South Seventh Street, Klamath Falls, Oreg.

RECOMMENDED FORM OF MANAGEMENT ORGANIZATION

The first consideration in planning the management of the property that will be retained for the Klamath Indian people who elect to remain in a management program are the Indian people themselves. After studying the background which these people have in business experience and education, the Management Specialists have concluded that it would be unwise to allow the members who participate in the management program to operate as an unrestricted corporation. This view is supported by 117 out of 118 adult tribal members who have expressed definite opinions on the subject at interviews held during recent months.

Accordingly, the Management Specialists propose that the management program be placed in the hands of a qualified trustee. Such an organization will not only provide reasonable assurance that the program will be properly managed, but will also provide certain tax advantages.

A proposed form of trust agreement under which a bank or a trust company might be willing to accept the responsibility for the trust management of this program has been prepared for the Management Specialists. Following is an outline of the principal provisions of this proposed agreement.

SUMMARY OF BASIC PROVISIONS OF PROPOSED TRUST AGREEMENT

1. The trust agreement will be between the United States through the Secretary of the Interior and a designated bank or trust company.

2. At the time the agreement is executed, the Secretary of the Interior will convey the tribal property to the trustee, in trust, and furnish the trustee with the names of the members who are beneficiaries under the trust.

3. The trustee will have full responsibility for the management of the trust property, but will consult with the tribe, through the executive committee, on various matters affecting the welfare of the members. If the tribe, after termintaion of Federal supervision, reorganizes itself into a corporation or other organization, the governing body of the new organization will represent the tribe in dealing with the trustee in the same manner as the present executive committee.

4. The trustee is directed, as long as feasible, to operate the tribal timberlands on a sustained-yield basis, and is given broad powers of management.

5. The amount to be paid each member from the trust will be fixed, subject to changes up or down if the financial condition of the trust permits or requires such a change. All the trust income, after paying administration expenses, is to be paid to the members and, after their death, to their respective next of kin. The trustee is permitted to sell portions of the trust principal if necessary and advisable in order to keep up the level of payments. Payments will be made quarterly.

6. The members remaining in the tribe are given a preferential right to buy any of the property originally put into the trust which is to be sold, except for property sold as part of the sustained-yield plan, and certain other exceptions.

7. There are provisions governing payments to minors and incompetents and in cases of dispute between rival claimants to payments due from the trust, permitting the trustee to withhold payments until the dispute is resolved.

8. The trust will last for the lives of the enrolled members of the tribe who are beneficiaries of the trust, except that the beneficiaries may vote to terminate the trust. An election to terminate the trust may be held at 5-year intervals, except that in an emergency the trustee may call an election at any time.

9. Upon termination, the trustee will distribute the trust assets, in cash or in property, to the beneficiaries of the trust. Until the distribution is completed, the trustee will continue to manage the property.

10. The trust agreement contains a provision by which the members' benefits under the trust cannot be sold or taken by creditors, except for debts owed the United States or the tribe.

11. The trustee is required to keep accounts and to make an annual report which will be available to the executive committee and to any beneficiary who wants to examine it. Special provision is made for settling the trustee's accounts and for legal proceedings to decide questions which may arise under the trust agreement.

12. The trustee's fee will be fixed by agreement of the Secretary and the trustee.

BASIC MANAGEMENT AREA

Preliminary studies have indicated that a relatively large portion of the Klamath Tribe may elect to withdraw from the tribe, when given the opportunity to do so. Accordingly, this plan of management for the remaining members is based on an assumption that approximately 25 percent of the members will participate in the management program. An area with a tentative total appraised value equal to 25 percent of the total appraised value of all tribally owned property has been selected for management. This area has been termed the "basic management area." Copies of a map showing the basic management area are on display at Klamath Indian Agency, the Indian education office in Chiloquin, and at the office of the management specialists in Klamath Falls.

Should more than 25 percent of the enrolled members elect to remain in the management program, additional units will be selected for management so that the total appraised value of the management area will equal the total interests of all members who participate in the program.

The value of forest lands and timber resources represents almost 98 percent of the total value of all tribally owned real property. Therefore, the area selected for the management program is predominantly forest land and timber resources. However, certain farmlands and rangelands have also been selected in order to provide a well-rounded management program. In general, the eco-

nomic units selected for management consist of forest lands with a high potential growing capacity and open rangelands with a relatively high carrying capacity. Thus the higher productive capacity per acre in the management area will offset the greater management costs per acre that will result from managing a relatively small part of the reservation property. On this premise it is assumed that the annual per capita dividends for the members who participate in this program will be approximately the same for any portion of the tribe ranging from 15 to 50 percent. It is reasonably certain that no more than 50 percent of the members will choose to participate in this program.

MANAGEMENT PROCEDURES

Management procedures will consist largely of the sustained yield management of the forest resources. There are two periods of management control that must be considered. These are discussed separately as follows:

1. The first period is a transitional period that starts with the designation of the area to be managed and ends with the assumption of control by the trustee or other legal entity. During this period the Federal Government still retains the responsibility for custody and management of the designated area.

Although the transition period will be of relatively short duration its importance cannot be overemphasized. During this period it is planned to start the management program with the execution of a 5-year contract for the sale of timber. This sale will provide a continuing source of income to the participating members. Also, if it is executed prior to the start of the sales of economic units for the withdrawing members, it will provide reasonable protection from the anticipated effects which those sales will have on the value of stumpage.

2. The second period of management starts with the assumption of control by the trustee or other legal entity. During this period, management will consist largely of the sustained yield sales of forest products and of the accounting and distribution of funds derived therefrom. However, during the early part of this period the trustee should make several important decisions concerning the management procedures. These decisions are as follows:

(*a*) The trustee should decide whether it is advisable to develop the areas of farmland and marsh that are proposed to be retained for management.

(*b*) The trustee should decide whether it is advisable to develop a wood-using industry to increase the percent return on an overall wood-growing, wood-utilization investment. The development of such an industry does not appear to be advisable until after the completion of the sales of economic units for the withdrawing members.

(*c*) The trustee must devise some method for use of the range resources by participating members. This may be handled through the preferential rights which participating members may have to meet the prices offered for grazing privileges by nonmembers.

PREDICTED ANNUAL RETURNS TO PARTICIPATING MEMBERS UNDER SUSTAINED YIELD MANAGEMENT

Under a cutting schedule such as planned for the sustained yield management of forest lands in the management area, participating members may receive between $1,000 and $1,200 per year during the 7-year period from 1958 to 1964, inclusive. However, such returns can be expected only if a timber-sale contract, of relatively long duration, is executed prior to the start of the sales of economic units for the withdrawing members.

The foregoing estimate is based on the assumption that the value of stumpage will remain at the approximate level that prevailed during calendar year 1957. A difference of $1 per thousand board-feet in the prices received for stumpage would make a difference of approximately $33 in the annual payment to each beneficiary. Accordingly, any prediction of expected values must be accepted with extreme caution. The estimation also has assumed certain costs of administration which may or may not be close to those that will be experienced under the planned form of trustee management.

The annual dividends from a sustained yield operation may be expected to drop perceptible in 1965, after which time the timber-cutting activities will be confined to the timber of poorer quality on forest areas that have been previously cut over. However, if stumpage values at that time are reasonably close to those currently in effect, the annual dividends of each participating member may be approximately $1,000 per year.

MANAGEMENT SPECIALISTS, KLAMATH TRIBE OF INDIANS

KLAMATH FALLS, OREG.

REPORT OF AUDIT FOR THE PERIOD MAY 9, 1955, TO JUNE 30, 1957

KLAMATH FALLS, OREG., *August 26, 1957.*

MANAGEMENT SPECIALISTS,
Klamath Tribe of Indians,
Klamath Falls, Oreg.

GENTLEMEN: In accordance with your request we have audited the books and records of the Management Specialists, Klamath Tribe of Indians, for the period May 9, 1955, to June 30, 1957, and herewith submit our report:

KLAMATH INDIAN RESERVATION

The Klamath Indian Reservation is located in southern Oregon, all in Klamath County except for about 40,000 acres in Lake County. It is on the eastern slope of the Cascade Range. It has about 866,000 acres of tribal lands consisting of forest, grazing, and farming land, and there are about 2,100 tribal members.

LAW PASSED BY THE UNITED STATES CONGRESS PROVIDING FOR TERMINATION OF FEDERAL CONTROL OVER THE KLAMATH INDIANS

The act of the United States Congress authorizing the appointment of the Management Specialists was approved August 13, 1954, and is designated (68 Stat. 718; 25 U. S. C. 564 et seq.; also known as Public Law 587 of the 83d Cong.). It provides for the termination of Federal supervision over the trust and restricted property of the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and of the individual members thereof, for the disposition of federally owned property acquired or withdrawn for the administration of the affairs of said Indians, and for a termination of Federal services furnished such Indians because of their status as Indians.

The original act was amended by act (71 Stat. 347; also known as Public Law 85–132 of the 85th Cong.) which was approved August 14, 1957.

Briefly the Management Specialists are authorized by the act to do the following:

1. Cause an appraisal to be made, within not more than 12 months after their employment, or as soon thereafter as practicable, of all tribal property showing its fair market value.

2. Give each adult member of the tribe, immediately after the appraisal of the tribal property, an opportunity to elect for himself, and, in the case of a head of a family, for the members of the family who are minors, to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in the tribal management plan to be prepared pursuant to item (5) below. The new amendment to the act provides that in the case of members who are minors, or incompetent, etc., the opportunity to make such election on their behalf shall be given to the person designated by the Secretary as the person best able to represent the interests of such member.

3. Determine and select the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interests converted into money, arrange for the sale of such property, and distribute the proceeds of sale among the members entitled thereto. That whenever funds have accumulated in the amount of $200,000 or more, such funds shall be distributed pro rata to the members who elected to take distribution. The new amendment to the act provides that no sales of tribal property shall be made prior to the adjournment of the 2d session of the 85th Congress.

4. Cause such studies and reports to be made as may be deemed necessary or desirable by the Secretary of the Interior in connection with the termination of Federal supervision as provided in the act.

5. Cause a plan to be prepared in form and content satisfactory to the members who elect to remain in the tribe, and to the Secretary of the Interior for the management of tribal property through a trustee, corporation, or other legal entity.

Among other things, the act further provides as follows:

1. Such amounts of Klamath tribal funds as may be required for the purposes of this section shall be available for expenditure by the Secretary of the Interior. That the expenses incident to the sale of property and the distribution of proceeds of sale pursuant to item (3) above shall be charged exclusively to the interests of the members who withdraw from the tribe, and the expenses incurred under items (4) and (5) above shall be charged exclusively to the interests of the members who remain in the tribe, and all other expenses incurred under section 5 of the act shall be charged to the interests of both groups of members. The new amendment to the act provides that in order to reimburse the tribe, in part, for expenditures of such tribal funds as the Secretary deems necessary for the purposes of carrying out the requirements of this section, there is authorized to be appropriated out of the United States Treasury, an amount equal to one-half of such expenditures from tribal funds, or the sum of $550,000, which ever is the lesser amount.

2. It is the intention of the Congress that all of the actions required by sections 5 and 6 of the act be completed at the earliest practicable time and in no event later than 4 years. The new amendment to the act extends the time an additional 2 years or to August 13, 1960.

CONTRACT WITH MANAGEMENT SPECIALISTS

The contract between the Secretary of the Interior and the Management Specialists was approved May 9, 1955. An amendment to this contract was approved June 19, 1957. In view of the new amendment to the act, this contract will again have to be amended.

The Management Specialists who made the original contract were as follows: T. B. Watters, Klamath Falls, Oreg.; W. L. Phillips, Salem, Oreg.; Eugene G. Favell, Lakeview, Oreg.

The amendment to the contract accepted the resignation of W. L. Phillips effective as of March 31, 1956, and provided that Mr. Watters and Mr. Favell shall be designated as the managers.

In addition to the requirements of the act shown above, the additional contract requirements are summarized as follows:

1. Each manager shall be compensated for his services at the rate of $1,000 per month.

2. The managers shall submit to the Secretary of the Interior a detailed budget containing an estimate of the expenses they expect to incur and an estimate of the compensation they expect to earn during the first 12 months this contract is in effect. Prior to the end of said 12-month period a similar budget shall be submitted for the second 12 months this contract is in effect, and another budget for the remaining period. In addition, the managers shall submit a supplemental report at the end of each quarter of each said budget period, which shall contain (1) any necessary revisions in the estimates contained in the budget for the remaining quarters of the budget period, and (2) a statement of expenses actually incurred and compensation actually earned during said quarter.

3. Each manager shall be paid necessary travel expenses and per diem in lieu of subsistance not to exceed the maximum per diem allowance authorized by the Government travel regulations, and where travel is by automobile, payments for transportation expenses shall not exceed the maximum mileage rate authorized by the Government travel regulations.

4. Advances will be made from funds of the tribe and not from funds of the United States. (The new amendment to the act provides that the tribe shall be reimbursed from the United States Treasury an amount equal to one-half of the expenditures or $550,000, whichever is the lesser.)

5. Fidelity bonds shall be required of each manager.

6. Prior to the termination of this contract the managers shall submit a final accounting, in such form as the Secretary of the Interior may prescribe.

7. Qualified employees may be hired to perform such services as may be needed.

8. The contract is to be completed by March 31, 1958. This will have to be extended in view of the extension of the act just passed.

9. In performing their functions under this contract, the managers shall, to the maximum extent feasible, consult with the tribe, consider such suggestions the tribe may make, and keep the tribe informed of their plans and progress hereunder.

COOPERATION OF MANAGERS AND EMPLOYEES

During the course of our audit, we received excellent cooperation from the managers and employees and found the books and records neatly and efficiently kept.

Respectfully submitted.

OLIVER E. MOEN,
Certified Public Accountant.

MANAGEMENT SPECIALISTS, KLAMATH TRIBE OF INDIANS, KLAMATH FALLS, OREG.

Balance sheet, June 30, 1957

Assets:	
Cash in bank	$65,991.32
Petty cash	50.00
Total cash	66,041.32
Equipment, see schedule	2,152.31
Total assets	68,193.63
Liabilities: Western Timber Services on appraisal report	50,000.00
Assets over liabilities	18,193.63
Total liabilities and assets over liabilities	68,193.63

NOTES.—1. No depreciation has been taken on the books on the equipment item shown above.

2. The checkbook was held open for a few days in July 1957, in order to pay all current bills so they would be reflected in the statements for the period ended June 30, 1957.

3. We were informed by the managers and the Western Timber Services that the amount due to Western Timber Services at June 30, 1957, was about $50,000. See balance sheet comments for further information on this liability.

Revenues and expenditures, for the period from May 9, 1955, to June 30, 1957

	For period May 9, 1955, to June 30, 1956	For fiscal year ended June 30, 1957	Combined for the period May 9, 1955, to June 30, 1957
Revenues:			
Allotments from Klamath Indian Agency	$131,151.76	$191,327.67	$322,479.43
Exhibits not returned	150.00		150.00
Total revenues	131,301.76	191,327.67	322,629.43
Expenditures:			
Salaries, Management Specialists	38,250.00	24,000.00	62,250.00
Salary, forestry consultant	4,620.00	10,900.00	15,520.00
Salary, executive secretary	3,966.69	7,100.04	11,066.73
Salary, secretary-stenographer	3,166.67	3,850.00	7,016.67
Services, other	411.10	100.19	511.29
Social-security taxes, employer's portion	226.69	267.59	494.28
Travel	7,162.71	8,209.80	15,372.51
Communications	1,154.95	1,052.69	2,207.64
Rent and utilities	2,216.82	1,970.46	4,187.28
Printing and reproduction	410.72	666.89	1,077.61
Legal expense	2,208.12	3,416.19	5,624.31
Repairs and lease improvement	1,041.98	22.30	1,064.28
Publications	63.78		63.78
Insurance and bond premiums	168.75	135.00	303.75
Office supplies and expense	650.22	658.27	1,308.49
Janitor and supplies	307.09	442.21	749.30
Forestry supplies	9.40	20.25	29.65
Contract payments to Stanford Research Institute	15,826.58	4,946.14	20,772.72
Contract payments to Western Timber Services on appraisal	18,907.90	85,705.24	104,613.14
Other contractual services		202.37	202.37
Total expenses	100,770.17	153,665.63	254,435.80
Equipment purchased, see schedule	1,486.26	666.05	2,152.31
Total expenditures	102,256.43	154,331.68	256,588.11
Excess of revenues over expenditures	29,045.33	36,995.99	66,041.32

NOTE.—The income and expenses for the period May 9, 1955, to June 30, 1955, are included in the revenues and expenditures for the period May 9, 1955, to June 30, 1956. The 1st deposit was made July 5, 1955, and the 1st checks were drawn in July 1955.

Budgets submitted by Management Specialists

	For period May 9, 1955, to June 30, 1955	For fiscal year ended June 30, 1956	For fiscal year ended June 30, 1957	Combined for period May 9, 1955, to June 30, 1957
Salaries:				
Management Specialists	$5,250	$36,000	$36,000	$77,250
Forestry consultant			10,800	10,800
Executive secretary	1,500	9,000	7,100	17,600
Secretary-stenographer	460	3,600	3,600	7,660
Other		3,000	3,600	6,600
Social security, employer's portion			1,222	1,222
Total salaries	7,210	51,600	62,322	121,132
Travel and auto	1,000	6,400	10,000	17,400
Communication services	750	1,500	2,000	4,250
Rents and utilities	600	1,800	2,000	4,400
Printing and reproduction	1,250	200	500	1,950
Other contractual services	12,000	60,000	140,000	212,000
Miscellaneous supplies and materials		2,000	2,500	4,500
Total expenses	15,600	71,900	157,000	244,500
Equipment	500		1,000	1,500
Contingencies	1,690			1,690
Total budgets	25,000	123,500	220,322	368,822

NOTE.—A report is submitted by the managers entitled "Quarterly Report of Obligations and Expenditures" which gives the financial status of each quarter and gives an estimate of the funds needed for the next quarter.

Equipment, June 30, 1957

	Date purchased	Cost
Chair, steno	July 27, 1955	$40.00
Underwood electric typewriter	Aug. 29, 1955	341.25
Fire-resistant 4-drawer file	Sept. 7, 1955	260.10
Underwood adding machine	Dec. 31, 1955	358.54
Friden calculator, used	Feb. 7, 1956	325.00
Map board	Apr. 30, 1956	127.47
Diameter tape	June 11, 1956	7.70
Biltmore stick	June 4, 1956	8.20
Clinometer	do	16.00
Compass	June 18, 1956	2.00
Total purchased to June 30, 1956		1,486.26
Trailer tape	Oct. 20, 1956	29.40
Chairs (5)	July 3, 1956	84.75
Map cases (2)	Feb. 28, 1957	348.00
Map base	do	25.20
Verifax photocopy machine	Apr. 11, 1957	148.00
Desk lamp	Oct. 31, 1956	30.70
Total purchased for fiscal year ended June 30, 1957		666.05
Total equipment purchased		2,152.31

Equipment loaned to this office is listed as follows:	*From whom borrowed*
Metal folding chairs	Winema Hotel.
Hall trees (2)	Portland area office.
Desks, executive type (4)	do.
Desks, steel (2)	do.
Chair, walnut finish	do.
Tables, wanut finish (3)	do.
A. B. Dick mimeo machine	do.
Remington typewriters (2)	do.
4-drawer file cabinets (2)	do.
A. B. Dick duplicator	do.
4-drawer file cabinet	Klamath agency.

Accountant's Report

Klamath Falls, Oreg., *August 26, 1957.*

I have examined the balance sheet of the Management Specialists, Klamath Tribe of Indians, as of June 30, 1957, and the related statement of revenues and expenditures for the period May 9, 1955, to June 30, 1957. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

My duty was to check the financial duties and results of the Management Specialists, and, in my opinion, in this respect they have conformed to act designated (68 Stat. 718, 25 U. S. C. 564, et seq.) and their contract pertaining thereto. In my opinion, the accompanying balance sheet as of June 30, 1957, and the related statement of revenues and expenditures present fairly their financial position and the results of their operations for the period then ended, in conformity with generally accepted accounting principles.

Oliver E. Moen,
Certified Public Accountant.

Comments on Various Items in the Balance Sheet and in the Statement of Revenues and Expenditures

CASH IN BANK

All canceled checks returned by the bank for the period were examined and checked into the check register. The bank balance shown by the books was reconciled with the balance shown on the bank statement as of June 30, 1957. The balance shown on the bank statement was confirmed by direct correspondence with the bank.

PETTY CASH

The petty cash fund of $50 was verified on August 23, 1957, which is analyzed as follows:

Cash on hand	$27.96
Check, Chiloquin Timber Co	2.50
Receipts for various small items	33.48
Postage paid (there is an itemized list of small amounts but no receipts)	25.73
Telegram, no receipt	2.92
Total	92.59
Sale of maps and postage	42.59
Balance of petty cash	50.00

We were informed that an up-to-date map of the Klamath Indian Reservation was prepared and a quantity were printed which were sold at $1.25 each, which was put into the petty-cash fund, as shown above. This will be credited to printing when the next petty-cash check is issued.

ALLOTMENTS FROM KLAMATH INDIAN AGENCY

The amounts received from the Klamath Indian Agency were confirmed by direct correspondence. The allotments received are based on the budgets submitted (see schedule) for each year. In addition, the managers submit reports entitled "Quarterly Report of Obligations and Expenditures," which give an estimate of the funds needed for the next quarter.

EXHIBITS NOT RETURNED

In connection with the appraisal bids, detailed exhibits were prepared containing maps and instructions to assist the bidders in preparing their bids. A charge of $50 was made for each exhibit, which was to be refunded upon return of the exhibit. Three of the depositors chose to retain their exhibits; therefore, $150 was deposited into the bank account.

SALARIES

We checked the salaries paid to the managers and employees and the payroll reports filed, and found all to be in order. The various payroll tax agencies have issued letters stating that the managers are contractors and therefore not subject to payroll tax withholdings.

Employees at June 30, 1957, in addition to the managers were as follows:

	Monthly salary in June 1957
Earl B. Wilcox, forestry consultant	$950.00
W. A. Wiest, Jr., executive secretary	591.67
Idella M. Edgar, secretary-stenographer	350.00

TRAVEL

We have checked the travel expenses and it appears that payments have been made in accordance with Government Travel Regulations. In the management contract, Mr. Favell's address is given as Lakeview, Oreg., and Mr. Phillips' address is given as Salem, Oreg. On information from the Management Specialists and in accordance with their telephone conversations with the Portland area office, it is assumed that the residence of the managers given in the contract is their permanent base of operations, and any travel made by them in connection with this contract is computed from the time they leave their residences.

RENT AND UTILITIES

The lease for the quarters at 139 South Seventh Street expires March 31, 1958, with option to renew to March 31, 1960. The rent is $125 per month, which does not include utilities. The leasees have made various lease improvements which remain with the building with the exception of the venetian blinds and light fixtures. These may be removed on expiration of the lease.

LEGAL EXPENSES

The office of Hart, Spencer, McCulloch, Rockwood, and Davies of Portland, Oreg., have represented the managers on legal matters. We examined their invoices and found them to be in order.

INSURANCE AND BOND PREMIUMS

The bonds in the possession of the Secretary of the Interior at June 30, 1957, were as follows:

	Amount
T. B. Watters, (expires June 24, 1958)	$25,000
E. G. Favell, (expires June 24, 1958)	25,000
Idella M. Edgar, (expires June 15, 1958)	25,000

We were informed that there is no fire or theft insurance on the equipment.

CONTRACT PAYMENTS TO STANFORD RESEARCH INSTITUTE

A contract was made with the Stanford Research Institute, of Stanford, Calif., which was approved by the Secretary of the Interior on July 29, 1955, the purpose of which, according to the contract, was to provide factual data and to draw appropriate conclusions on the problems faced by the Management Specialists in order to assist them to make decisions and evolve a plan which will result in maximum overall benefits to all present and future members of the Klamath Tribe of Indians by assisting in the appraisal of reservation resources and determining the most equitable way of apportioning the tribal assets, etc.

The contract price for this work, including the amendments thereto, was $21,250. Total payments made amount to $20,772.72.

CONTRACT PAYMENTS TO WESTERN TIMBER SERVICES

The act provides that an appraisal of all tribal property be made showing its fair market value by practicable logging or other appropriate economic units. Bids for this work were received and the successful bidder was Western Timber Services, of Arcata, Calif., whose contract was approved February 17, 1956, by the Secretary of the Interior. The time for completion of the appraisal, after extensions, was May 2, 1957.

The appraisal report was delivered in May 1957. It was examined, and various omissions and errors were found which are reported in the Review Report, Appraisal of the Property of the Klamath Tribe of Indians, dated May 18, 1957. The appraisal report was returned to Western Timber Services for correction,

and has not been returned to date. It is expected that the corrected report will be delivered before October 21, 1957, based on a new work order recently issued.

The total estimated cost to June 30, 1957, was $155,000. We were informed that, since June 30, 1957, additional work has been contracted for in the amount of $15,000, making a total estimated cost of $170,000.

The last invoice on which payment was made by the managers is dated April 10, 1957, and it shows that work in the amount of $130,766.45 was completed at that time. The contract states payments will be made on 80 percent of the value of the work completed. Therefore, $104,613.04 was paid, based on their invoice. The balance has not been paid because of the omissions in the appraisal report.

A performance bond in the amount of $100,000 was issued on behalf of the Western Timber Services by General Casualty Company of America.

OTHER EXPENSES

We checked various invoices and items making up the other itemized expenses shown under expenditures and found them all in order.

Financial statements, July 31, 1957

	July 1957	Total from May 9, 1955
Management Specialists	$2,000.00	$64,250.00
Forester	950.00	16,470.00
Education assistant	591.67	11,658.40
Secretary-stenographer	350.00	7,366.67
Other personal services		511.29
Social-security taxes, employer's share	21.19	515.47
Travel expenses	740.40	16,112.91
Communications	96.04	2,303.68
Rent and utilities	269.59	4,456.87
Printing and reproduction	66.60	1,144.21
Legal		5,624.31
Repairs		1,064.28
Publications		63.78
Insurance		303.75
Stanford Research Institute		20,772.72
Western Timber Services		104,613.14
Other contractual services		202.37
Miscellaneous:		
Office expenses	7.46	1,315.95
Janitor and supplies	35.00	784.30
Forestry supplies		29.65
Equipment		2,152.31
Petty cash		50.00
Total	5,127.95	261,766.06
Less Oregon withholding taxes	37.83	37.83
Total	5,090.12	261,728.23

Received from tribe	$322,629.43
Less:	
Expenses	261,728.23
Obligations (Western Timber Services)	26,153.29
Unencumbered funds	34,747.91

Financial statement, Aug. 31, 1957

	August 1957	Fiscal year to date	Total from May 9, 1955
Management Specialists	$2,000.00	$4,000.00	$66,250.00
Forester	950.00	1,900.00	17,420.00
Education assistant	591.67	1,183.34	12,250.07
Secretary-stenographer	350.00	700.00	7,716.67
Other personal services	83.00	83.00	594.29
Social security, employer's share	21.75	42.94	537.22
Travel expenses	555.14	1,295.54	16,668.05
Communications	114.96	211.00	2,418.64
Rent and utilities	148.03	417.62	4,604.90
Printing and reproduction	118.30	184.90	1,262.51
Legal	4,531.52	4,531.52	10,155.83
Repairs			1,064.28
Publications			63.78
Insurance			303.75
Stanford Research Institute			20,772.72
Western Timber Services			104,613.14
Other contractual services			202.37
Miscellaneous:			
Office expenses	174.54	182.00	1,490.49
Janitor and supplies	35.00	70.00	819.30
Forestry supplies			29.65
Equipment			2,152.31
Petty cash			50.00
Total	9,673.91	14,801.86	271,439.97
Less Oregon withholding taxes	39.49	77.32	77.32
Bank credits	9,634.42	14,724.54	271,362.65

Received from tribe	$322,629.43
Less:	
Expenses	271,362.65
Obligations (Western Timber Services)	26,153.29
Unencumbered funds	25,113.49

Senator NEUBERGER. Mr. Wolf, do you have some questions of Mr. Watters?

Mr. WOLF. I just have a couple regarding this question of Government purchase of the reservation. If the Government purchases the reservation, your idea is that private industry will still manufacture the timber; buy and manufacture it?

Mr. WATTERS. Yes. I think this: This could well be; the sale under this program. Let's talk about free enterprise a little. Under the present setup, the Government has what I'd say is not an operating concern; it is a reservoir of timber, and, in the past, and now, we have some 5 or 6 small mills and Weyerhaeuser Timber Co., and I understand relations are very fine between those different companies. Now, at the present time, and under the present method, where they don't have to buy the stumpage outright and they don't have to pay it all in cash, these small mills have been able to come in and compete with the larger mill for timber. And if this—I can envision this—if this law goes through as written, and it can't be prevented, the majority of this timber is going to get into the hands of larger operators. Eventually, these smaller mills are going to be eliminated. So I say that, if the Government should buy this and continue it on the same basis, they are promoting free enterprise from the lower level rather than the higher.

Mr. WOLF. Then the only question that really is involved here is: Who should manage the growing of the timber?

Mr. WATTERS. Well, as far as we are concerned, yes, and that, we feel, is something that we shouldn't enter into.

Mr. WOLF. Now, collaterally, it has been often said that it is desirable to increase the local taxation base. Do you believe that the shared-revenue provisions, such as those found in the national forest, provide an equitable basis for providing the tax income of local government?

Mr. WATTERS. That is 25 percent?

Mr. WOLF. Yes.

Mr. WATTERS. Yes; I do.

Mr. WOLF. You believe that is equitable?

Mr. WATTERS. Yes.

Mr. WOLF. That's all, thank you.

Senator NEUBERGER. I just want to follow up several of the questions Mr. Wolf asked, which I think are very cogent. Throughout this entire State, which at the time is the principal producing State of timber of the entire Nation, if I am not mistaken, there are three classifications of Government-owned timber: National forest, Bureau of Land Management holdings, and Indian timber. Has it not been your observation that that timber, managed on a sustained-yield basis, has helped to maintain much private enterprise in this State in the form of logging camps, sawmills, pulp plants, and various other timber-processing companies and operations all over the State?

Mr. WATTERS. Well, Senator, I just have to make a very casual statement on that, because I still want it understood that I have not—in fact, I wasn't an observer of the lumber industry, had no connection with the lumber industry in any way, and all that would be is just personal observation on my part. But I do know, as far as Klamath County is concerned, we estimate that, I think, 9 percent of the economy of Klamath County has come from that reservation, which is a sizable sum. Certainly it is valuable to this community, not only from that standpoint but also for watershed and recreation benefits. There is no question about that.

Senator NEUBERGER. In addition, one other question asked by Mr. Wolf seems to me ought to be pursued a little bit. If these holdings of the Indians went on the tax roll, do you believe that would be as financially valuable to county government in the long run as if county government received the traditional 25 percent allotment from the sale of Federal timber stumpage which prevails under national forest operation?

Mr. WATTERS. You mean if it was sold to private industry and went on the tax roll?

Senator NEUBERGER. That is right.

Mr. WATTERS. Well, of course, one big gimmick, if it went on the tax roll I think a big portion of it wouldn't be there over 4 or 5 years; then it would be gone.

Senator NEUBERGER. In other words, it would be cut over?

Mr. WATTERS. Yes; that is right.

Senator NEUBERGER. And then it would cease to be of any substantial value to the tax roll?

Mr. WATTERS. That is a certain percentage of it. There again, I am not a forester, but certainly a big percentage of it will be clear cut and no tax return from it. It will probably go back to the county.

Senator NEUBERGER. Whereas if it were managed by the United States Forest Service on a sustained-yield basis, the county govern-

ment would receive, I think it is, 25 percent of those stumpage fees over a very prolonged period of time as this timber was harvested. I believe a report has shown that this reservation will support some 80 million board-feet annually.

Mr. WATTERS. That is correct.

Senator NEUBERGER. To be cut. So that income under Forest Service management would continue, if not indefinitely, at least for a very prolonged period of time.

Mr. WATTERS. Well, it would be indefinitely and, of course, there has been an estimate made of some $244,000 in taxes we will get. Now it is very easy to figure the 25 percent of the sale of 80 million or 81 million board-feet of timber is going to amount to a little more than $244,000. I would certainly like to see Klamath Falls get it if they could.

Senator NEUBERGER. I certainly agree with you in that estimate. Do you have any more questions?

Mr. WOLF. I have just a couple about this trust agreement. I notice that one provision of the trust agreement allows the trustee to dissipate the trust principal to insure the stability of payments. Do you think that there should be some check on that? Why is that in there?

Mr. WATTERS. Well, of course, when you are writing a document, you don't know what is going to happen 25 years from now, and we must figure that this trustee, in the first place, is going to be a big outfit. They are not going to do something just because they have authority, but in case of a catastrophe of some kind, as I understand it, the trustee is allowed to dissipate it, not continue.

Mr. WOLF. I didn't see any check, anything that would stop him from going all the way. As a matter of fact, paragraph 6 of the trust agreement says that the trustee is directed as long as feasible to operate the timberland on a sustained-yield basis.

Mr. WATTERS. Yes.

Mr. WOLF. Which gives the implication that there might be a situation where it wasn't feasible and then he could proceed on a liquidation.

Mr. WATTERS. Well, now we feel that we tried to be just as liberal as we could, I will admit that. And if the Secretary closes the door——

Mr. WOLF. This is something still under consideration; this isn't final?

Mr. WATTERS. Yes. It is not final, it is a tentative plan. That is a good question. It will probably be raised before the final document is written, but as I say, it is pretty hard in figuring the future, and we did liberalize it.

Mr. WOLF. This is something you will give consideration to further, you expect?

Mr. WATTERS. Yes; no question about it.

Mr. WOLF. I had one other question. Under this agreement you are replacing the Indian Bureau with a private trustee?

Mr. WATTERS That is right.

Mr. WOLF. Is there any action contemplated to equip the beneficiaries to take over the management ultimately, 30 years from now, so that they don't have to stay in a perpetual-trust status, or haven't

you given any thoughts yet to a plan the trustee might operate which might eventually look forward to letting these people assume the management of this property and equipping them to do it?

Mr. WATTERS. I think that is taken care of, Mr. Wolf, where we set up this regulation in 5 years. After the 5 years they can vote to withdraw. If they decide to withdraw from this in 5 years, then they can either liquidate it or set up a trust that is more satisfactory.

Mr. WOLF. I am just wondering if there is any plan to equip these people so that they can take it over, other than just allowing them to elect to stop it.

Mr. WATTERS. You certainly couldn't do it. It would have to be a separate organization of some kind. You mean educate them?

Mr. WOLF. Yes.

Mr. WATTERS. It couldn't be done, I don't think, in this document. I think that is a social problem that a lot of attention should be given to it, but I think that it is a little out of our category here.

Mr. WOLF. You indicated to me earlier that Mr. Wilcox had some maps that would show some of the reservation problems regarding the management of the timber. Were you going to have him present that later?

Mr. WATTERS. Yes. He is available for whatever purpose you want him today.

Mr. GAMBLE. Mr. Watters, let me ask you just a very brief question. You mentioned in your testimony the fact that you had asked the Indians, 118 I believe you said, what type of management they thought ought to be established for the remaining property. Have you polled any group of Klamaths with respect to the recommendations that you are making to this committee about Federal acquisition of the tribal property?

Mr. WATTERS. Yes; I think there have been some polls made on that. I don't recall whether that question was in our poll. We had several questions we asked, and I think that this poll was made more in connection with carrying out the law itself. We had two monsters here. We had two monsters to ride, and we had to keep them separate, and I think that poll was directed primarily to the terms of the law and didn't go into Government purchase, as I recall now. Now, I would have to check and see.

Mr. GAMBLE. That is all I have.

Senator NEUBERGER. Mr. Watters, thank you very much for coming today. We appreciate the benefit of your views and recommendations. Please give Mr. Favell our best wishes for an early recovery.

Our next witnesses are tribal representatives of the Klamath Tribe. Mr. Jackson, is it your wish that your associates appear with you or that you just appear alone? I notice Mr. Kirk, Mr. Cook, and Mr. Davis are likewise listed as witnesses. Or will you just appear alone at this time?

Mr. BOYD JACKSON. Mr. Chairman, I am not particular on the point. If they would just as soon come up here along with me, why, that would be agreeable insofar as I am concerned.

Senator NEUBERGER. Fine. We would be very glad to have your associates on the tribal executive committee appear with you and we could move a few other chairs up here, if you like. I know you have done that before.

Before we hear from Mr. Jackson, I want to put in the record a few documents that have come to me. I have a very brief letter from Hon. Harry D. Boivin, the representative from Klamath County in the Oregon State Senate, which I should like to read:

"DEAR SENATOR NEUBERGER: Because of illness in my family, I find it impossible to attend the important hearings you are conducting at this time. However, the following are my observations and recommendations:

"After considerable thought and much consultation with many constituents in my district, it is my opinion the only logical solution to Public Law 587 is for purchase of the Klamath Indian assets at fair market value by the Federal Government. It is impractical to carry out the law as now written without complete economic disaster to the Klamath Indians, Klamath County, and the State of Oregon. From a practical standpoint, it is impossible for the State of Oregon to bond itself to purchase these assets.

"Respectfully submitted.

"HARRY D. BOIVIN,
Oregon State Senator."

We likewise hope that the illness in his family which prevents Senator Boivin from being here will respond to early and complete treatment. I also have received from Mrs. Paul Buck, of Klamath Falls, an extensive document which embodies the views of the League of Women Voters of Klamath County. It is my understanding that this document on the termination problems and the resources and tribe generally was compiled by Mrs. Bob Ross, of the Klamath County unit of the League of Women Voters. Inasmuch as the League of Women Voters is not appearing today, I am going to submit this document compiled by Mrs. Ross for the hearing record.

(The document referred to is as follows:)

LEAGUE OF WOMEN VOTERS—KLAMATH COUNTY UNIT

Compiled by Mrs. Bob Ross

HISTORICAL BACKGROUND

The Klamath Indian Reservation was established by treaty in 1864. The Klamath, Modocs, and Yahooshkin Band of Snakes were settled in the area that is now known as the Klamath Reservation.

The numbered 755 (Klamaths) in 1905, including, however, many former slaves and members of other tribes who have more or less become assimilated with the Klamaths since the establishment of the reservation.

The Klamaths took no part in the Modoc War of 1872–73 and it is said their contemptuous treatment of the Modocs was a main cause of the dissatisfaction of the latter with their homes on the reservation which led to the war.

It was a prominent chief by the name of Kentpuash, more commonly known to history as Captain Jack, who led the more turbulent portion of the tribe back to the California border and obstinately refused to return to the reservation. The troops finally routed the Indians, Captain Jack, and five other leaders and they were hanged at Fort Klamath in October 1873.

The Modoc Tribe was then divided and a part being sent to the Oklahoma Indian Territory and placed on the Quapaw Reservation where they diminished to 56 by 1905. The Yahooshkin Indians are 1 of the 2 chief peoples in Oregon. They now intermarry with the Klamath Indians.

KLAMATH INDIANS TODAY

The 83d Congress enacted Public Law 587 which provides for the termination of Federal supervision over the property of the Klamath Indians. This is among the first endeavors by Congress to release completely any large group of Indians from Federal wardship. There are many implications and ramifications of this law, and there has been much discussion as to what will happen to the Indians, Klamath County, and the State of Oregon if the law is carried out as written. Perhaps the State of Oregon should take a look at this controversial Federal legislation.

To begin with, it would be well to find out what a Klamath Indian is, and how he lives and where. Much of the Klamath story is shrouded in mystery, half-truths, doubletalk, innuendo, and what one wants to believe. An endeavor has been made to picture these people as children of nature, living on their ancestral homeland where they preserve and treasure the culture of their forefathers. Nothing could be further from the truth. A little research will remove the myths surrounding the Indian people and give a true perspective of the problems they are facing.

In the first place, there is no reservation for the Klamath Indians—the Klamath Reservation was established for the Klamath, Modoc, and Yahooshkin Indians. In the second place, one has to stretch his imagination considerably to call these descendants of the original reservation Indians when there are now only 351 fullblooded Indians, and 1,222 persons with one-half degree of Indian blood or less. Just why is a man who is seven-eights Swede and one-eight Indian legally labeled an Indian? Another amazing revelation is the fact that in 75.8 percent of the marriages in 480 families, the spouse is non-Klamath, and in only 24.2 percent of the families are both husband and wife Klamath members.

The very fact that one-third of the Klamaths live away from the reservation and that the Indian blood is fast thinning out through intermarriage, throws much different light on the termination program. The Indian culture has almost entirely disappeared and the old-type reservation Indian is gone forever. Last but not least, let us remember that the one-third of these people who live away from the reservation have just as much legal right to tribal assets as those who live on the reservation.

The material culture of the Klamath is little different from their non-Indian neighbors. They drive the same type cars, live in similar houses, dress, and speak the same. They do not wear their hair in braids and very few aboriginal foods are still eaten. Only in the field of nonmaterial culture, such as attitudes toward time, work, and money, are the Klamath set apart from other citizens of Oregon.

Official records reveal that the Klamath Reservation is a house divided against itself; some of the leaders of the tribal council want immediate termination, other leaders of the tribal council want to maintain the status quo, while yet others want an extension of the time on the Termination Act. Experience has proven that it has been utterly impossible to get any kind of agreement among the Klamath people as to the final settlement of their tribal assets.

For the past 15 years, the Klamath people have received a per capita payment of approximately $800 annually. This means that a family of 5 persons would receive a yearly payment of $4,000 tax free and, of course, the reservation people live on tax-free land. This means that the younger generation has always lived on unearned income. Statistics indicate that these reservation people, generally speaking, have not sought employment nor have they seen the need of getting an education. The court records show that an alarming juvenile delinquency problem exists on the reservation which is attributed to idleness and easy money under the parentalism of Uncle Sam.

A quick look at the census figures is certainly revealing. The census of 1955 totaled 2,086 Klamath Indians. The most astounding fact was that there were 1,163 persons 21 years of age or under, 765 between the ages of 21 and 55, and only 158 were 55 years of age or older. An analysis of these census figures clearly reveals that the program of termination must be geared for the younger generation.

Discussing the degree of social integration attained by the Klamaths on the reservation the specialists report turns to the majority of the local adult Klamaths have been arrested and convicted during the past 10 years for offenses other than traffic violations. The number of convictions ranges from 1 to more than 100 per individual.

The record also shows that the Klamath Indians whose numbers in Klamath County comprise less than 3 percent of the county population, are accounting for almost 50 percent of the child-delinquency cases requiring county welfare services.

The report concludes:

The Klamath Indians have been described to Congress as one of the most advanced Indian groups in the United States. To substantiate this has been offered a description of their material possessions and referenced to the absence of Indian customs and dress. We suggest that a more reasonable criterion than the extent to which the Klamaths have shed the blanket, is how well the majority of them have acquired skills and attitudes necessary for the assumption of responsibilities in a non-Indian society which they will be required to assume upon termination.

The specialists, as shown in the report, obviously do not believe the majority can make the change from reservation life into a non-Indian society under the terms of Public Law 587.

At the same time, a strong and vocal group disagrees. They assert that it is now or never for the Klamaths. They feel they have been shackled by the reservation system too long.

INDIAN EDUCATION IN PUBLIC SCHOOLS

The attendance of Indian pupils in Klamath County schools is below State average, and the greatest dropout period is in the 8th or 9th, 10th, and 11th grades. Retarded school progress and school dropouts are the natural result of erratic attendance. The apathy of the family, poor family habits, and don't-care attitude, the great dislike of routine and the revolt against taking orders or following directions are positive deterrants that prevent the Indian students' progress. It is quite noticeable that the need of an education for their children is not realized by the family. They simply do not see any use for it.

The percentage of Indian children who completed high school is low. There were only 9 graduates from the 3 high schools on the reservation in 1956 and this was the largest graduating class in recent years. College attendance and graduation are even more rare, but it is encouraging to note that 5 of this group (1 non-Klamath Indian) with the guidance, counseling, and support of the Klamath Indian education and training program, went on to school; 3 to vocational school, 1 to business college, and 1 to an institution of higher learning. There is no reason to believe that Indian children are not as capable of doing satisfactory work but they do not seem to be able to rise above their environment.

Public Law 587—Its threat to water resources in the upper Klamath Basin

The central figure in the water supply of this basin is upper Klamath Lake. It is fed by many lakes and rivers, all within the boundaries of the reservation, and is used for irrigation and power development on Klamath River.

To clear-cut some 3 billion feet of timber from the reservation within a short space of time, could easily result in a disastrous shortage of water in years of subnormal precipitation. Such a procedure could well result in a very serious loss to the agricultural economy of the upper Klamath Basin which is fully as important as the timber industry. It would hurt our economy for years to come.

TERMINATION

In August of 1954 the Interior Department proposed, and Congress passed, a law which said that by August 13, 1958, the Government would terminate its trusteeship over the persons and property of the Klamath Indians. On that date next August the Indians were to assume more than just the full rights of legal citizenship, which they already have been granted. They were to assume full responsibility for their own personal welfare. Those who couldn't manage their own affairs, children and incompetents, were to be protected by the laws of Oregon.

The termination act, Public Law 587, was passed 3 years ago. Since that time the Klamaths have been under great emotional stress and near violence.

Today, less than a year before the original termination, most of the procedures which were to have lead to the complete emancipation for the Indians have come to a stop, or have developed critical weakness.

Today the contrasts between the visible intent of the law and conditions on the reservation lead one to wonder whether Public Law 587 was designed for the Indians or some other group.

Because of the contrasts between the law and the reservation, Congress decided to take another look at the termination. A Senate-House conference committee has adopted amendments to Public Law 587 which will delay until August 1960 the termination date, and will make other changes in the program.

Delay may not provide a real solution to the many complex problems facing not only the Klamaths, but in some degree, most of the people of Oregon.

Here are a few of the things that Congress will find out about the Klamath Indians—

1. This tribally owned land holds a different value for one group than it does for another.

2. The Klamaths are divided in the public eye, by two strongly entrenched and determined factions, neither of which opposes termination—but led by men who have been in personal conflict over the past 20 years. They are unable to agree on how soon or in what form they want termination. Many are torn and confused by the crosscurrents of the fighting.

3. Tribal government, never a strong influence on the Klamath Reservation now has deteriorated to a point of almost complete failure.

4. Many Indians feel they will be exploited or legally robbed of their estates in the termination process. The tribal executive committee threatened a boycott against the Klamath County legal profession because of special guardianship fee schedules established by the county bar association.

5. Non-Indians of the Klamath Basin look with genuine concern and in a few cases with anticipation toward the day when the Indians receive their share in the $100 million reservation. Many feel the money will be "blown" in a short time. This would leave the Indian with neither the means nor the background with which to support himself, and will present the Klamath Basin and Oregon with a far greater problem than it has now.

6. Finally, Congressmen will find that many of the men who have been hired to work on the termination program are fearful of its effects. In a report which has never been released by the Interior Department, two of these men have said the Congress was misled about conditions on the reservation and the capacity of the Klamaths to assume personal responsibility. These and many other ills of the reservation have come to light since the passing of Public Law 587.

In 1955 three men contracted with the Secretary of Interior to carry out a major part of the termination program. They are T. B. Watters, of Klamath Falls; Eugene Favell, of Lakeview; and William Phillips, of Salem. Mr. Phillips resigned in 1956. These are the management specialists. They say that if Public Law 587 is carried out as it was passed—

1. The majority of the Indians will suffer.

2. The economy of the Klamath Basin will suffer.

The Management Specialists consider the amendment which will delay termination from August 1958 until August 1960 a battle which has been won.

This battle started in May 1955 and these men have been in constant conflict with either the Department, members of the Klamath Tribe, or their non-Indian neighbors. The chore the specialists contracted to carry out by March 31 of this year required them to go through these steps:

1. Cause an appraisal of the 800,000 acres of the Klamath Reservation which are in ownership (roughly valued at more than $100 million).

2. Conduct an election among the 900 adult Klamaths in which the Indians will chose between taking their per capita share (estimated at $50,000) of the reservation value in cash and withdrawing from tribal membership—or of remaining in the tribe to share in management plan. This plan can't be worked out until after the election when it will be known how much land and how many members will be left in the tribe.

3. Sell enough of the reservation land in "economic units" to pay off the equities of the withdrawing members.

4. Develop a management plan under which the remaining forest and range land can be operated as a communal unit under a private corporation or trust.

This sounds fairly simple but 70 percent of the Klamaths have indicated they might favor withdrawal and $50,000 cash in hand against some sort of management scheme is still very inviting. If as many as 70 percent withdraw a lot of timber would have to be sold. Earle Wilcox, forester working for the specialists, says that the volume to be dumped on the market in 1 year would be about

8 times the amount normally absorbed by all the mills in the entire Klamath Basin. This would probably result in low panic prices and the Klamaths would not get full value for their property. And the dumping of so much stumpage would probably not only upset the economic structure of the western pine region but would likely have an effect in the Douglas-fir region. Furthermore the termination act requires that the highest prices be obtained for the timber. This means it would have to be offered in small tracts where a competitive bidding would bring the best prices. These tracts would be offered and purchased on the basis of immediate recovery of the investment through logging. The result would almost certainly be rapid liquidation of the individual tracts and ultimately of the forest.

The specialists, after a year of detailed study, recommended that Public Law 587 be amended to permit the purchase of the Klamath Forest and rangeland by the Federal Government. They feel that only in this way can the area be kept in one management unit for long-term conservation purposes and at the same time provide a fair market value return for the Indians.

Federal purchase (S. 2047): If Government purchases reservation they will pay the fair market price.

Three men would make up the board of appraisers. One would be chosen by the Secretary of the Interior, one by the Secretary of Agriculture, and one by secret ballot vote of the adult members of the Klamath Tribe.

If the Government should decide to buy the reservation each member of the tribe would be paid his share of the money that is put up by the Government to pay for the tribal property and there would no longer be a tribe. All would be treated alike and there would be no election to withdraw from or stay in a tribe. Upon payment of the purchase price by the Government, Klamaths would cease to be Indians insofar as Government control over their property is concerned.

A bill authorizing the Federal Government to purchase the reservation lands will be up for consideration at the next session of Congress.

This forest which the management specialists believe should be kept in one unit covers almost 600,000 acres of the 1 million which were originally within the reservation. Another 200,000 acres are in rangeland and the marshes which provide resting places for the migratory birds and, more importantly, the sponge which pours an undiminishing stream of water into the vast irrigation works around Klamath Falls. The total 800,000 acres is owned by the tribe as a group. The rest of the million acres is in allotments which were made in past years to individual Indians and which have been held in trust by the Bureau of Indian Affairs. Under Public Law 587 clear title to these lands will pass to individuals. A program of selling the allotted land has been under way for more than 2 years. Prior to 1954 more than 100,000 acres were alienated—sold to non-Indians.

The forest itself is one of the best ponderosa stands in the Nation. It contains an estimated 4½ billion board-feet of merchantable timber. Another 4½ billion has been removed over the 40 years in which there has been logging on the reservation. About one-half of the annual timber supply for the Klamath Basin comes from the reservation, through sales supervised by the Bureau of Indian Affairs.

More important to the Indians, and of the greatest significance in the termination program, the forest has provided the tribe with a gross income of more than $30 million in the past 40 years. This has been redistributed to tribal members, after administrative expenses have been paid at the rate of about $800 per person per year. Each man, woman, and child will get more than $1,000 this year.

For a family of 5 this has meant an annual tax-free unearned income of $4,000 a year for the last generation.

There is an undercurrent of rebellion that revolves around the future of the tribe's 1,000 children and the contents of some of the circuit files in the Klamath County courthouse.

The Klamath Indian has a historically well-founded fear that his children's estates will be subjected to legal looting. It has happened before to the Five Civilized Tribes in Oklahoma and it has happened individually to members of various coast Indian tribes in Oregon. So the Klamaths are balking at carrying out one important part of the termination program: The establishment of guardianships for minors and incompetents.

They have balked because, they say, Oregon law is not adequate to protect the minors and legal incompetents of the tribe who can someday expect to come

into estates of $50,000 apiece. They point out that a few of the guardianships established early in the termination program have cost Klamath Indians 3 or 4 times as much as the same legal procedures would cost non-Indians.

Public Law 587 delegated to State courts and State law the responsibility of protecting the property of the minor and legally incompetent Indians.

How well the State laws have worked can be discovered in the Klamath County court records which show that fees for the service of certain attorneys and guardians have ranged up to $1,600 apiece for a year. Trust lands, still under the control of the Federal Government, have been included in inventories of the estates and then fees have been based on a percentage of the total value rather than on specific charges for work performed.

Estimates of the number of guardianships which will be needed in Klamath County before the minors and incompetents can receive their estates range from 800 to 1,000.

The Indians' reluctance to carry out this part of the termination program has had its effect. Congress a few weeks ago passed a stopgap amendment to Public Law 587 which more clearly spells out the duties of the Secretary of Interior and which opens the door for a Federal or institutional guardianship program. It is questionable whether patching of the existing law will satisfy most Klamaths.

The effects of the termination program are being watched carefully by Indians and non-Indians across the country because their reservations and their communities may be next to undergo the disruptive social and cultural change that appears slated for the Klamath Basin.

One of the things that is certain is that termination will come.

In summary, I have pointed out the historical background, the position of the Klamath Indian today, the threat to our water and timber supply, the Indian education in our public schools, and the Indian termination.

A situation similar to what Klamath Falls will be facing upon termination was met and dealt with successfully in Rapid City, S. Dak., in 1951. A detailed outline of how many of their problems were solved is included in my larger report.

In conclusion, I believe that the following three items are of the greatest importance:

1. Education of the young.
2. Conservation of water and timber resources.
3. Integration of the Indian culture in a white man's society.

These items should be kept first and foremost in our minds when final termination plans are made.

Senator NEUBERGER. Mr. Jackson, we are very glad to have you and your associates here with us.

STATEMENT OF BOYD JACKSON, MEMBER, KLAMATH TRIBAL EXECUTIVE COMMITTEE, ACCOMPANIED BY JESSE KIRK, ELNATHAN DAVIS, AND DIBBON COOK

Mr. JACKSON. Mr. Chairman, members of the committee, and members of the interim committee of the State, I don't know as I should say that I appreciate this moment. That is premised, of course, on that, first off, I am not in any way an orator, and it may be difficult for the members of the committee to grasp the things that I may have to say. However, I will do what I can to bring about the views of some of my people.

I want to extend a word of thanks to the Senator for the interest that he has taken in the welfare and interests of my people to the extent that he is taking it upon himself the burden of attempting to do the things that we had hoped for, and by that I mean that the law as passed during August 13, 1954, cites, among other things, the matter as to the procedure as to how the matter of the withdrawing members would be provided for and taken care of, and, in brief, subsec-

tion 3 determines and selects proportions of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members of the tribe who elect to withdraw. Now, that, Mr. Chairman, to us has a great deal of meaning.

That particular clause of the law was discussed by the delegates at Washington, and we took the position that no property of the Klamath Tribe should be sold until and when all ways and means had been exhausted to find funds with which to take care of the withdrawing members, and in so doing not break up the reservation.

Further, we asked as to whether or not any amendments that we would want to submit regarding the complications of Public Law 587, whether or not such proposals would be considered. We were given to understand that it would.

Now, with that in mind, we accepted the law as it was passed on August 13, 1954. Since its passage the attempts have been made to take care of the problems required in the various terms of the law as to what should be done in the matter of carrying out the purpose and intent of the law.

First off, as you well know, the Secretary retained the board of management specialists, and these members were citizens of our State, and when this election was made, I was rather dumbfounded. One of the gentlemen being a citizen of our city here and feeling that he was not too well versed in Indian problems, I couldn't see where and how he could fit into our picture. However, upon interrogation of the three gentlemen selected and they voicing their position, why, we decided then that insofar as their business ability, integrity was concerned, why, it may be that they could well work out the problems that we had before us. By that I mean that there was no yardstick from which and with which to work from in order to carry out the purposes of the law. The things that was done must be done from the word go. And our reason and our purpose in accepting this selection was upon their study of the law. They voiced their feeling that if the reservation was sold to the extent of 70 percent, why, that in itself would not contribute to the economy of the withdrawing members nor to the economy of those remaining. And inasmuch as they had taken that position and had voiced themselves as not being willing to sign a contract unless they were given the privilege of making some sort of a recommendation in which they believed would be that ample protection would be given to the membership of the Klamath Tribe as a whole.

Now, we felt that if they were big enough to take the position and in fact defy the terms of the law to the extent that they didn't believe that it could be done and a good job done.

Now, that, in brief, is why we felt that the selected men could and will do a job probably as good as any other men that could be selected. We had, of course, at the outset understood that men of trustee experience would be chosen to take care of the processing of the law and that we were advised at some later date it was not possible, that the men of such experience and practice did not see fit to give us the time that we required and in a sense render a public service to our cause. Hence, then, the selection.

Now, we, as you know, and including ourselves, have interested ourselves as to the meaning and the purpose of the law and discovered its

shortcomings, and believe that there was other possibilities that could well answer our purpose.

Now, this question of ours has been practically nationwide, and organizations of the various sources have declared themselves as the law being such that it would only lead to end in the loss of our lands that we held as of utmost value. It was a heritage to us; we gleaned the results of that heritage and the members that passed on left behind them their rights, what rights they had in that heritage. Hence, we think and we felt that so long as they took the position that the men and our people that entered into the treaty with the Federal Government, that they did so with the thought in mind which they had experienced through generations of years, and it was property that they had fought for and held by right of might in order that they might be enabled to glean from the property that they held their wherewith as time rolled along.

We were asked to keep the home. But it seems that this wasn't possible, that something else had to be done, and the result is the passage of Public Law 587, which now has been amended.

We have discussed this in our council and during one of our meetings we discussed the program of bills introduced and such bills as introduced among them was S. 469. And a motion was made before our general council in official session assembled on January 26, 1957, to the extent that I moved that the bills, H. R. 663, H. R. 650, S. 469, H. R. 2518, S. 341, introduced upon the reconvening of the 85th Congress to amend Public Law 587, be confirmed in principle. That motion was passed. Now, Mr. Chairman, I would submit that report for the record.

Senator NEUBERGER. It is so ordered. It may be included.

(The document referred to is as follows:)

Excerpt from general council minutes January 26, 1957.
Item B. Possible amendments to Public Law 587.
J. L. moves and seconded by Carl Jackson.
I move that the bills H. R. 663, H. R. 650, S. 469, H. R. 2518, S. 341, introduced upon the reconvening of the 85th Congress to amend Public Law 587 be confirmed in principle. President Kirk requests here that Vice President J. L. Kirk take over the chair that he may be permitted to comment on the motion. Motion carried. For—28, opposed—7.

Mr. JACKSON. In endorsing a motion of that sort, we believe was the thing that we could do, for the reason that the bills as introduced intended to safeguard and provide for the necessary protections of my people was such that prior to its passage such bills would be amended. Hence, we felt that we could only support the bills in principle and whether we had gone far enough in so doing has to be charged to our inability to think further ahead.

Now, Mr. Chairman, you have, during the interim period, introduced in the Senate, S. 2047, in which you proposed for a Federal purchase, and we have the benefit of the information that has been released in substance by the present Secretary of the Interior, thinking that the possibility of Federal purchase should be one of the things that should be brought forward.

Now, at this point I would like to say this: Why the Congress, why the Secretary, saw fit to recommend that the Klamath Tribe, the supervision of the Indian property of the Klamath Tribe, be terminated by the Federal Government, that I don't know.

There has been apparently some shortcomings in information somewhere along the line. It has been held that the workings of the Bureau have been such that it has increased as time rolled along and we Indians have been very much and going deeper into the pockets of the taxpayer. Now, I at this point, Mr. Chairman, I don't agree that such things and feelings should be applied to the Klamath Indians. We over the years have paid for the costs of our administration. We have employed personnel of the Indian Bureau at our own expense. And why should we be charged as being a burden to the Government? Why?

And, too, the biography as set out in the documents of the Management Specialists sets forward the position of the thinking as to the capability of the Klamath Indians and, hence, believed that the proposal such as is included in the management plan is the only answer. We have not gone in detail into the proposed management plan. We only have barely scratched the surface. They have much to do before we could either accept or disagree to the plan entirely.

Now, back to your bill. We have gone over the bill and we feel that certain exceptions should be made, and among these exceptions we say that, one, delete section (b), lines 12 through 14. The part that we ask be deleted, "the first paragraph of subsection (a) of section 5 of such Act is amended by striking out 'by practicable logging or other appropriate economic units.'"

And to delete the words "Section 28 of this Act" of line 2, page 3, and substitute in lieu thereof the words "Section 5 (a) (1)," which would read in the present law "1, Subsection 1, Cause an appraisal to be made within not more than 12 months after their employment or as soon thereafter as practical of all tribal properties showing its fair-market value by practical logging or other appropriate economic units."

Now, the reason for that is that inasmuch as it applies to the section that has to be deleted would apply to, applies to section 25 of your bill, we ask, three, delete the entire section 28. Now, in taking that position, Mr. Senator, we fail to understand why an appraisal board is necessary. Why should we? Is it the intent, is it your intent that the appraisal board would rehash the job as now done by the present appraisals, which as you know, has cost the Klamath Tribe a considerable amount in funds, and because of our thinking we felt that among other things that the section 28 should not apply.

Now, in the point of the appraisal board, the Secretary would be given the authority to appoint one, and I presume that the Secretary of Agriculture would be authorized to appoint the second, and then we, the Klamath Indians, would be forced to go through an election before one of our members could be employed, and that would mean that, and the bill goes further and states that these men should have wide, very wide background of experience with reference to appraisals, which would qualify them to act on this board.

The principal objectionable feature insofar as section 28 is concerned is that when it comes to determining as to what should be done by the board of appraisers, we find that the majority vote should prevail. In other words, if the board is economy minded, as the present feeling is, then where would we, where would the vote of the 1 Indian member, what would be the worth of the vote of the 1

Indian member? We fail to feel that such a program should be instituted in view of that we still would be the underdog.

Now, we know and we realize that this bill is intended to make a search of possible materials, possible outs in which something could be worked out that would not only provide for the protection of the timber and timberlands of the Klamath Tribe, but would also result in the protection of the best welfare of the membership of the Klamath Tribe. And we think that as the work progresses in attempting to work out this Federal acquisition that provisions for the guardianship, trusteeship of our membership should be spelled out in any law that is passed. By that I mean if Federal purchase is our answer, don't you think that it is well that some standards of protection be set up in any Federal purchase that would go to the extent of protecting those people that we hope to protect? And by that I mean the enrolled membership of the minors, the enrolled membership of the minors and incompetents are in the majority. There are over half of our enrolled membership that are in such a class.

Now, the other factor that crops in mind is that we have approached the State and have asked as to what position they would take in the matter of this sudden transfer. Years back I had taken the matter up, we had taken the matter up with the Governor and were advised that they on their part for the State had not in any way concerned itself into the problems and welfare of the Indians, especially the members of the Klamath Tribe. Since we had not been a burden to the State, but rather had contributed to the economy of the State as well as the Klamath Basin. And we think that such, the economic standards as have been set up in the past should be continued; and the only thing, and the only measures that would take care of such continuity would be, we believe, through Federal purchase.

We think that at the moment that the trust management plan is rather in a cumbersome status and would require considerable time before it would be ably presented and explained to our people.

And the other though, although required by law, that immediately upon the completion of the appraisal report and approved by the Secretary, the Management Specialists are authorized to give to each enrolled member the opportunity to elect for himself or members of his family. Now, I am inclined to be—I will have to admit that I am rather confused, for this reason: The move to elect, I believe, should not be done until all ways and means of your move to provide for Federal acquisition has been exhausted. If you fail, then I think it would be high time for us to make the election that is provided under the law.

Senator NEUBERGER. As I understand it, the election is now scheduled for this coming February—is that correct?—or has there been no election scheduled?

Mr. WATTERS. There has been no exact date.

Senator NEUBERGER. Wasn't there some tentative announcement made, Mr. Watters, of February? I thought there was an announcement. I think we ought to get that straight, and Mr. Jackson brought this up very properly. I thought there was some tentative announcement made of February 1, and if I am mistaken on that I would very much like to be corrected.

Mr. WATTERS. I think when the date is set the Department will notify us. We have had no official notice of that.

Senator NEUBERGER. Now, Mr. Jackson, wasn't it your understanding that there was an election scheduled for February 1, or am I mistaken?

Mr. JACKSON. That is my understanding.

Mr. WATTERS. I think that is more or less an estimate. There again there could be something, but I don't think a solid date has been set.

Senator NEUBERGER. Mr. Sigler is here from the Bureau of Indian Affairs, the Department of the Interior. Could you identify yourself for the record and tell us about that so we have the facts straight?

Mr. LEWIS SIGLER. Senator Neuberger, I am Lewis Sigler from the Department of Interior. There has been no date set for the election. The law requires the election to be held as soon as practicable after the appraisal has been finished. The appraisal is now scheduled to be completed on October 21, I believe it is.

Senator NEUBERGER. Of this year?

Mr. SIGLER. Of this year. After that, the Management plan that is in tentative form and has been referred to earlier, and you have a copy of it there on your desk, will need to be completed, discussed thoroughly with the tribe, and it is only at that time that the election date can be fixed. It is our hope that the election will be before the end of the year.

Senator NEUBERGER. Of this year?

Mr. SIGLER. Of this year, but there is no firm date yet.

Senator NEUBERGER. Let me ask you this, Mr. Sigler: How did both Mr. Jackson and I have the date February 1 in our minds when we have not communicated about this, as Mr. Jackson will bear out? Where did we get that?

Mr. SIGLER. I don't know. We have not heard that before.

Senator NEUBERGER. Wasn't there something in the press about that, Mr. Jackson? Didn't you see that in the press?

Mr. JACKSON. I saw it somewhere.

Senator NEUBERGER. Where did it come from? Like Topsy, did it just grow? I notice people in the courtroom nodding their heads, too. I am just curious now to know who is making statements or announcements about elections, because both Mr. Jackson and I, without previous concurrence or discussion, had the date February 1 in our minds, and I noticed people in the courtroom nodding.

Mr. SIGLER. I don't know; I had not heard the date before.

Senator NEUBERGER. Please continue, Mr. Jackson. I didn't want to interrupt, but I wanted to get our facts straight on this.

Mr. JACKSON. Yes. Well, Senator, at this point I would submit our action in proposing certain deletions from S. 2047 for the record.

Senator NEUBERGER. This resolution by the tribal committee will appear in the hearing record.

(The document referred to is as follows:)

"RESOLUTION

"*Be it resolved*, That the Klamath executive committee supports the principle of S. 2047 with the following changes:

"1. Delete section (b), lines 12 through 14.

"2. Delete the words 'Section 28 of this Act.' on line 2, page 3, and substitute in lieu thereof the words 'Section 5 (a) (1)'.

"3. Delete section 28."

We hereby certify that the above resolution was duly adopted at a regular meeting of the Klamath tribal executive committee on October 1, 1957, a quorum of 7 members being present, by a vote of 4 for and 2 against, such action being in accordance with the constitution and bylaws approved ———.

DELFORD LANG, *Chairman.*
ELNATHAN DAVIS, *Secretary.*

Mr. JACKSON. I maybe should go to the extent of saying that our fears are premised considerably on the possibilities of continued confusion. It may be that upon the election that is to be held prior to the sale of—prior to the possibility of Federal acquisition, are we to understand that in the event that 50 percent, or the 70 percent that is now of record as wanting to withdraw, do we in any way understand your bill to mean that if the 70 percent will elect to withdraw, then the extent of Federal acquisition would be to the extent of that 70 percent?

Senator NEUBERGER. I am just asking Mr. Gamble about this. Under the bill, the Federal Government, of course, would acquire the whole reservation regardless of the percentage of the election, and I would like to have Mr. Gamble point out how the distinction would be made between those who elected to stay in the tribe and those who withdrew from the tribe. Now it is my understanding under the bill, S. 2047, the Federal Government would acquire the entire reservation. That is the timber and the marsh. The timber would be administered by the United States Forest Service; the marsh, of I think some 70,000 acres, would be managed by the United States Fish and Wildlife Service. And I would like Mr. Gamble to point out for the record just how the distinction would be made between those who elect to withdraw and those who stay in.

Now, for those who withdraw, the purpose of the bill is for the Federal Government to pay a fair, competitive market price for the timber. We can discuss later how that would be determined; for the Federal Government to pay a fair, competitive market price for the timber, and how those funds would be used to reimburse those who elect to withdraw.

Mr. GAMBLE. Well, Mr. Chairman, I would say this: The language that is proposed in S. 2047 would effectively render that portion of Public Law 587 dealing with the withdrawal procedure completely useless. It has no bearing whatsoever by the terms of this bill, because there is no question on which the Indians have to make any decision. There is no property to be managed because the Government will purchase all of it under the bill.

Senator NEUBERGER. But what would the distinction be between those Indians who elect to withdraw and those Indians who wish to stay and remain under some form of private tribal life or custodianship?

Mr. GAMBLE. They would have that privilege, but there would be no private tribal property to be managed.

Senator NEUBERGER. The entire property then would become that of the Federal Government; however, a distinction would be made in the reimbursement to those who elect to remain in and those who withdraw. That certainly is my assumption, because those two groups of Indians would certainly have reached an entirely different choice in the matter. Is that not correct?

Mr. GAMBLE. I don't conceive it to be that way. As I understand it, all of the property would be purchased and the payment would be made to the individuals. They would all get their share of the moneys.

Senator NEUBERGER. I understand that, but what distinction would be made between those Indians who elect to remain and those Indians who choose to withdraw completely from tribal life? Would that then be up to them personally, as individuals, to work out after they have been reimbursed, or would there be some administrative procedure provided for by law?

Mr. WOLF. The proposed section 31, Senator, says in part that—

> Notwithstanding any other provision of this Act, the Secretary shall pay, at the earliest practicable time * * * to each member of the Klamath Tribe enrolled pursuant to section 3 of this Act, or to his heirs, his pro rata share of the purchase price of such tribal lands.

Now, as I understand it, he would get his pro rata payment.

Senator NEUBERGER. I understand that, but then those Indians though, who elect to remain, let's say if the so-called surveys are correct that 30 percent, would they then themselves have to set up some different sort of life or community than those who have elected to withdraw? In other words, the purpose of the bill, as you know, Mr. Jackson, the fundamental purpose of the bill is to protect these resources from hasty liquidation, which would be to the disadvantage of the Indians, the community, and the State. At the same time, the purpose of the bill is to provide a fair market price for the timber so that by selling to a monopoly buyer, namely the Federal Government, you would not lose such temporary advantage as there might be from having small competitive sales. So the purpose of the bill is twofold. The purpose of the bill is to protect the resources from complete liquidation and destruction in a hasty period of time, and also to assure the Indians a fair market price. Now, I gather—does that answer your questions, or do you have further questions about the provisions of the bill?

Mr. JACKSON. Yes. What we had in mind, that is those of us who are interested in this Federal acquisition, is that, would there be any reason for an election prior to the time that you would have had in attempting to acquire Federal acquisition? You see what I mean? That if a group elects to remain and a group over here elects to withdraw, now, why then this matter of Federal acquisition comes into the picture following that. That is the point that I don't believe is going to work out advantageously to our members at large.

Senator NEUBERGER. That is the reason I was disturbed when somewhere I read this February 1 date, because if I were a member of the Klamath Tribe, I would prefer, and I have always thought this, that the Federal Government, meaning the Congress and the President, decides first what form of management this timber should come under, if any, before I participated in the election. If I were a member of the Klamath Tribe, I would hope that the election would take place after the 2d session of the 85th Congress, because that session is either going to pass S. 2047 with such amendments as may be advisable, and you have suggested some today that may be advisable, but we would have to study that, but I think that session of the Congress is either going to pass S. 2047 or it is not going to pass it. At the end of the 2d session of the 85th Congress, in other words, you will know whether or not there is going to be Federal purchase because when that session ends,

if we have not provided for Federal purchase, then the Management Specialists are under orders to proceed with the sale of the reservation. Is that not correct, Mr. Watters?

Mr. WATTERS. Yes, that is right.

Senator NEUBERGER. That is correct. So if I were a member of the Klamath Tribe, I would prefer to make my election after the 2d session of the 85th Congress, so you would know what the Government of the United States, the Congress, and the President, decided in the matter. Now, do you feel that way, or do you not feel that way?

Mr. JACKSON. That is our position, and it would provide for less confusion.

Senator NEUBERGER. Does the tribal committee concur with you in that? Have you discussed this?

Mr. JACKSON. We had informally, we had discussed that very point from time to time, wondering why should there be an election prior to the possibilities of Federal acquisition.

Senator NEUBERGER. That is the reason that again I come back that somewhere I got this February 1 date from the press, and it disturbed me because I felt your election should take place after you know what the Congress is going to do. Because just because we have introduced S. 2047 does not mean, as you know, that Congress is going to pass this. A great deal of money is involved; it must be appropriated from the Federal Treasury. It only pertains to 1 State in the Union, the State of Oregon, which means that we are under the very heavy and difficult obligation of trying to persuade the Senators and Representatives from 47 other States of the Nation to provide a substantial sum of money for acquisition of Indian resources in just 1 State. And certainly nobody can rely on passage of a law that is fraught with that much difficulty to secure. You people saw when you were back in Washington with your legal representatives the great difficulty which I had to even secure reimbursement from the Federal Treasury for the cost of termination. Is that not correct?

Mr. JACKSON. That is right.

Senator NEUBERGER. We succeeded in getting through the Senate the full recommended sum of $1,100,000, but that was cut 50 percent down to $550,000 in the House, and it was only with difficulty that we received even that sum from the Congress conference committee. So this is fraught with a good deal of difficulty. And because of that uncertainty, I would think that the election should be held after the 2d session of the 85th Congress, and that is the reason I interrupted when you brought this up to ask you these questions, because I am eager to learn and have put on the record whether or not that is your view and that of your associates on the tribal executive committee.

Mr. JACKSON. Well, that, Mr. Chairman, was the purpose of bringing out our thinking at this point. And the other thought that we had in mind with reference to your bill, of course, the fair market value. I don't know, I think I may be the only one that has taken exception to that, because I feel that if the Federal Government says, "Here, Mr. Indian, I don't want to mess with you any longer; I want to get you out of my hair," well, if that is the case, if that is the thinking, if that is the feeling of Congress, I would want to, and if I have got to settle with my heritage, I want to get as near just compensation as I could possibly get.

Senator NEUBERGER. Well, now, from that point in your remarks, Mr. Jackson, this is what I gathered: that you recommend against section 28 in our bill, recommended its deletion where there would be, as I recall, one appraiser appointed by the Interior Department, one by the Agricultural Department, and one elected by the Indians—is that correct?

Mr. JACKSON. Yes.

Senator NEUBERGER. You suggested that that be eliminated, and as I took it from your remarks, you are satisfied with the present appraisal being made under the supervision of the Management Specialists and you desire that to stand. Am I right or wrong in that presumption?

Mr. JACKSON. Well, I hope to be satisfied, since we have not had the benefit of seeing the results of the present appraisal.

Senator NEUBERGER. What I mean is, you recommend the elimination of section 28 in your testimony, and I gathered from your statement that you preferred to let the existing appraisal which is now in process to be that on which you rely, because you suggested no alternative method except that.

Mr. JACKSON. That is our position.

Senator NEUBERGER. That is your position?

Mr. JACKSON. Yes. We think, without getting the results of the report, that if the grapevine information is anywhere near correct, why, that we might get a better appraisal than we had at any time anticipated.

Senator NEUBERGER. And you would prefer that, in other words, to the method set out in section 28?

Mr. JACKSON. That is right.

Senator NEUBERGER. I appreciate having your opinion on that. I want to ask a further question that comes to mind about your testimony. You made some objection to the fact that S. 2047 does not in your opinion make proper provision for minors, incompetents, and others who require guardianship; is that correct?

Mr. JACKSON. Yes. That would apply to section what, 31?

Senator NEUBERGER. I think so; I think that was what you directed your testimony to. Now, it is my understanding, and if I am incorrect on this I want Mr. Gamble or Mr. Sigler to set me straight. These are quite technical legal questions. In the first place, in Public Law 587, section 15 does set up a certain protection for minors. Then in S. 469, my bill to postpone termination, which passed the recent session of Congress and was signed by the President, there is substantial amendment of that guardianship provision to add to it. Now, it is my understanding that that section 15 of Public Law 587 as amended by my bill, S. 469, will still be the law of the land after passage of S. 2047. Is that right, or is that completely repealed, Mr. Sigler? What is the situation on that legality?

Mr. SIGLER. Senator Neuberger, I haven't had a chance to go through your bill in detail to make specific technical suggestions, but it is my judgment that as your bill is now written, section 13, which starts off "Notwithstanding any other provisions of this act," would supersede section 15, so that the direction in section 31 would be to pay to the individual entitled to receive the payment notwithstanding the safeguards that up until now are contained in section 15. I think that

would be—I think that is a provision that you might want to consider seriously and possibly amend it.

Senator NEUBERGER. Well, I do, because I think Mr. Jackson has raised a very valid point, and if section 31 has repealed those safeguarding provisions which we provide for in S. 469 to section 15, then I think that should be corrected and I think that you have raised a very valid point here and I certainly appreciate it, because I do believe that these guardianship provisions for minors and incompetents should certainly be safeguarded in the distribution of these assets and the protection of their assets. I think you have raised a very valid and extremely effective point, and I appreciate it.

Mr. GAMBLE. Mr. Chairman, might I make just one observation on that point? In the drafting of that section 31, the intent and purpose most certainly was not in any way to affect section 15 of the existing law. If you go back to Public Law 587 and notice in the early sections of that act there are provisions for the payment of income from the sales of tribal property and, therefore, by this Federal acquisition and paying in lump sum, unless we change that earlier payment provision, the two things just won't work out. The Indians wouldn't be able to get all of their money.

Senator NEUBERGER. I understand that, but I think that these guardianship provisions in section 15 should not be tampered with, because I think then you would encounter the difficulties which, and the injustices—still more important, the injustices—which Mr. Jackson so clearly pointed out, and I don't think that section 31 should remove those guardianship provisions. Wouldn't you agree with that?

Mr. GAMBLE. Yes; I would. I definitely would.

Senator NEUBERGER. I think that Mr. Jackson has raised a very effective point, and I think that before any final action is taken on this bill by the subcommittee that we should see to it that those guardianship provisions which I think we improved in S. 469—at least I hope we improved them, and that was our purpose to improve them—that they should not be weakened.

Mr. JACKSON. Well, that was the thought inasmuch as S. 2047 will be a special act, why, then, the provisions that need to be in there should be spelled out.

Senator NEUBERGER. Well, I am glad you raised this because you remember when you and Mr. Kirk and I think Mr. Cook were in my office earlier this year and we discussed this at lunch, that we then changed S. 469 to strengthen the guardianship provisions in section 15 and I felt that that was one of the major accomplishments of S. 469, in addition to postponing termination and providing some reimbursement of the tribal funds, and I do not want section 31 to repeal our improvement of section 15. If Mr. Sigler is correct in his legal interpretation that section 31 would do that, then I definitely believe that S. 2047 should be corrected to that extent, and I think that is one of the most effective things you have pointed out today. Thank you very much.

Now, do either Mr. Kirk or Mr. Davis have some views to submit collaterally that you would like to present here?

Mr. JESSE KIRK. Mr. Chairman, members of the committee, and the interim committee of the State: I have always held that Mr. Jackson

was more or less selfish. I listened closely to his testimony, and I don't believe that he has overlooked anything—and for me at least to talk about. For I think that we have discussed what he has covered very thoroughly between us and different members of the tribe, and I think Mr. Jackson has covered everything that would be of interest to us.

The Klamath tribal executive committee had two meetings this week which I failed to attend. So at this point I would like to pass it on to Mr. Davis, who attended these meetings and he may have something to say.

Mr. Elnathan Davis. Mr. Chairman and members of the Oregon State interim committee: I would like at this time to thank you, Senator Neuberger, for awarding me this time for these statements. First of all, I would like to go back a ways and say that I feel that Congress has acted too hastily on termination. I think they acted on inaccurate information which has done, will do a great harm to our tribe if Public Law 587 is carried out as written. Evidence of this inaccurate information can be heard, confirmed in the congressional hearing prior to the enactment of the law itself. This is my own opinion that I feel that many members of the tribe are not ready for termination at this time, and this is evidenced by the studies that are being carried out now in the bringing out of all these facts that Congress should have had before the law itself was passed, when the law was in the discussion stages.

We have a lot of problems I think, social and economic. Some of our housing problems here in Klamath Falls is that I feel that after termination our people won't be able to buy the houses they want, things like that. I think that is bad for us because we should be treated as any other citizens of the State of Oregon. And our employment situation is something that should be looked into, too, because I feel that even though we are qualified, I doubt very much that we will be employed properly.

Now, as far as the Federal purchase of the reservation is, I am in accord with that. I feel that is the only way that the Klamath people will get their fair share, just compensation for what they have coming to them. I would like to ask the Senator this question: We are progressing on the assumption that the Federal Government will buy our reservation. What happens if the Government refused to buy our reservation?

Senator Neuberger. Well, that is a very good and effective question to ask me. Now, I want you to understand certain things before I try to answer your question. I think you understand that termination was enacted before I ever became a Member of the Senate. You understand that.

Mr. Davis. Yes.

Senator Neuberger. When that termination was enacted, certain Federal responsibilities ceased, certain private rights vested. Very often in life it is impossible to put the egg back in the shell. You understand that. What we are trying to do now, at least what I am trying to do, is make the best of a difficult situation. That is the reason that S. 469 was put in; that is the reason that S. 2047 was put in.

Now, you have asked me the question, what if the Federal Government does not provide for Federal purchase? In other words, what if the Congress and the President do not provide for the Federal purchase?

First off, let me say this: I do not think anyone of us in this courtroom can rely conclusively that S. 2047 with such amendments as are provided will pass the Congress. As I mentioned to Mr. Jackson earlier, it pertains to only one State; a great deal of Federal funds are involved, and, as we stand today, I cannot tell you that this bill will pass. You know what difficulties I encountered in passing even S. 469 to delay termination and to provide some reimbursement to tribal funds. Mr. Watters was back in Washington; he knows of the difficulties in passing that. Yet those difficulties will be very modest indeed compared to passing S. 2047.

I am encouraged by what I regard as a very promising letter that was read this morning from Secretary Seaton. But you have asked me what if S. 2047 does not pass, in whatever form we modify some of the provisions such as protecting guardianships, and so on.

If S. 2047 does not pass, I personally at this stage see only two alternatives: One is for the liquidation to proceed and the Management Specialists, Mr. Watters, and his associates, to exercise their responsibilities, and they then would be required to dispose of the assets of the reservation commencing with the end of the 2d session of the 85th Congress and ending on August 13, 1960. That would be one alternative.

The second alternative would be acquisition by the State of Oregon or some subdivision of the State of Oregon. Whether that would be done or not I do not know. I am not an official now of the State of Oregon; I am an official of the Federal Government, the legislative branch. I am not an official of any subdivision such as Klamath County, or any other county. But in my opinion, if we do not provide for Federal purchase, those are the only two alternatives that I then foresee, and that is one reason why when I returned to the State recently after the end of the 1st session of the 85th Congress, I warned that I felt people associated with State government would have to at least consider this possibility and that is one reason I am so pleased that a substantial number of the members of the legislative interim committee on Indian problems and Indian affairs are with us here today, because I took from Mr. Jackson's statement to us that he felt that the treaty of the Klamaths, who were part of the great Modoc Nation, if I am not mistaken, is with the United States Government. Therefore, I take it that Mr. Jackson's position and that of the rest of you is that the Federal Government cannot in good conscience dump this entire problem in the lap of the State government, and yet when Public Law 587 passed, in effect that did take place.

Now, we are trying to restore some of the Federal Government's responsibility in this matter with S. 2047.

But let me ask you three gentlemen a collateral question. Let us presume that S. 2047 does not pass, and you know what a session of Congress is like. There are enormous responsibilities; there are vast expenditures required, particularly in the field of armaments and foreign responsibilities involving the peace and security of the free world; there is a great pressure; many good pieces of legislation are

left in the committee or on the calendar; there is a great competition for Federal funds and appropriations and so forth. Let me ask you three gentlemen, supposing we are not successful in passing this bill for Federal acquisition to try to patch up some of the damage in Public Law 587, what do you three gentlemen, as representatives of the Klamath Tribal Committee, believe should be done?

Mr. JACKSON. Repeal the act.

Senator NEUBERGER. Is that what you think, Mr. Kirk?

Mr. KIRK. Yes. I have a number of items down here. First of all, you would have to sell—these are your alternatives. You would have to sell off the reservation in small units, and I imagine the green on the reservation map up there represents the forests. Do they?

Mr. WOLF. No. they don't. They represent part of the forest. The red is the virgin timber, and the green is the cutover. Is that right, Mr. Wilcox?

Mr. EARLE WILCOX. That is right.

Mr. WOLF. The brown is the lodgepole pine; the white is marsh and open land.

Mr. KIRK. As you see on the map there, as you sell it off in small economic units there is a good chance—you have heard this before—that it will be clear-cut, and I believe that.

Senator NEUBERGER. Let me ask you this then: One of the purposes of this hearing is for us to exchange our views on this very serious matter. Let us suppose that by June of 1958 the Federal Purchase Act in some form, with what modifications seem desirable and feasible, if by June of 1958 that bill is not passed and we have only, let us say 6 or 8 weeks more of the 85th Congress remaining, would you 3 gentlemen as representatives of the Klamath Tribe want me, as a Senator from Oregon and as chairman of the Indian Affairs Subcommittee, to introduce legislation to repeal Public Law 587?

Mr. DAVIS. That would be the only thing, as I see it, because if we are going to sell all the timber in that length of time and cut it off, it is going to be a sorrowful thing up there. You won't have this watershed. There has been talk that there will be a great deal of damage done by that.

Senator NEUBERGER. I would like to know a little bit about the legal situation that would exist then, because this is certainly a complex legal problem. I would like to ask Mr. Sigler a legal question. I recognize this is a curbstone opinion and I won't hold you to it and it may not even be fair to ask it, but you heard my question that I asked these gentlemen. Would it be possible to repeal the termination act if later in the next session of Congress the Federal Acquisition Act has not been passed? Is it legally possible to do that, or are certain rights vested which cannot be withdrawn?

Mr. SIGLER. Senator, you have used the keyword, and that is "vested rights" and I don't know the answer to it. I think the fairest statement would be that there will be a substantial difference of opinion about whether the vested rights may or may not be put in some other form.

Senator NEUBERGER. You see what I mean. Would it then be possible for certain members of the tribe to go into court and sue to receive their property or the fair value thereof? In other words, I am asking you, is is possible to put this egg back in the shell?

Mr. SIGLER. Well, the best answer I can give you is that there will be a dispute. My own judgment is that it is possible, but my judgment is just one, and I know there will be some others who will disagree with it.

Senator NEUBERGER. Thank you, Mr. Sigler. Now, let me ask you another question, Mr. Davis and Mr. Kirk and Mr. Jackson. Let us suppose again that we are advised that it is not possible to repeal termination. What about extending the sale period to 5, 10 years, even 15 or 20 years. Would that be an alternative so that all of this timber would not be dumped on the market in a bargain basement sale that would drive down all the values? What would you think of that as an alternative?

Mr. DAVIS. That would be the next best thing, because I feel now that the timber market is going down, it is down and it is going down every day, I feel.

Senator NEUBERGER. Mr. Kirk, Mr. Jackson, is that your view also?

Mr. JACKSON. Mr. Chairman, I think if I remember correctly, during the Senate committee hearings held in August of 1947, I was asked the pointed question as to how long I felt it would take my people to come to a point where they would be prepared to have the Federal supervision withdrawn. My answer was 10 to 20 years. And I posted the same question to the Governor and the late Governor Patterson, and his position was that the State itself needed to be educated and in order to adjust itself to our problems, they would want from 9 to 10 years. Hence, the matter of adjustments cannot be carried out overnight.

Senator NEUBERGER. This is something I want to ask you because I wasn't a Member of the Congress then; this is what puzzles me. When Public Law 587 was passed in 1954, when it was passed, did you gentlemen and your associates, the ladies and gentlemen associated with you on the Klamath Tribal Committee, did you support it or oppose it or take no position on it?

Mr. JACKSON. Mr. Chairman, as delegate for the Klamath Tribe, I was instructed to support it.

Senator NEUBERGER. You were instructed to support it?

Mr. JACKSON. Yes. I am now at this point stating my personal thinking with reference to what I think should be done.

Senator NEUBERGER. But at that time you were instructed to support it?

Mr. JACKSON. That is right.

Senator NEUBERGER. I think that is important to put on the record. Now, I want to get a few things straight, and we will recess in 5 minutes for lunch. First off, why do you think you were instructed to support it?

Mr. JACKSON. One of the main reasons was that for many years there had been the feeling and thinking of a good many members of the tribe that something should be done to make a final settlement with the Government. The suggested final settlement would only mean the appraisal of the reservation, closing the rolls, the very same thing that is going on now. And when that motion was defeated, why, there was another bill introduced known as the final-roll bill, providing for the same purpose and, hence, the feeling was that to get the reservation appraised and thereby bring about our actual

worth as to our proportionate shares, was throught to be the best thing to do. The feeling behind that was, why, that the Bureau was gradually getting shed of our virgin-timber stand and that before too many years we would be left out on a limb with practically no income. Why, that was one of the reasons behind the wanting to carry out Public Law 587.

However, since the present appraisal has been put into force, we now find that we still have something around 4 billion feet of timber and hence it would be a good many years before we would actually be broke.

Senator NEUBERGER. Was there any per capita payment pending at the time that your decision was made; this decision was made to support Public Law 587, or not?

Mr. JACKSON. Yes. We had a special bill introduced in Congress asking for a per capita payment to be paid from our capital reserve fund.

Senator NEUBERGER. What sums were involved in that bill, do you recall?

Mr. JACKSON. The final amount set was a $250 payment.

Senator NEUBERGER. Did that bill pass?

Mr. JACKSON. That was merged into the present Public Law 587 without our approval.

Senator NEUBERGER. It was part of Public Law 587?

Mr. JACKSON. That is right?

Senator NEUBERGER. And that bill was introduced in the 83d Congress?

Mr. JACKSON. That is right.

Senator NEUBERGER. I just want to get this on the record. Of the alternatives that now confront us, the first alternative that you three gentlemen of the Klamath tribal executive committee favor and prefer is Federal purchase, as matters now stand; is that correct?

Mr. JACKSON. That is right.

Senator NEUBERGER. If Federal purchase should not be successful, then the second alternative that you prefer is repeal of Public Law 587; is that correct or not?

Mr. JACKSON. That is my position; yes.

Mr. DAVIS. My position, too.

Senator NEUBERGER. If that should not be possible, for legislative reasons or for good and valid legal and constitutional reasons, then the third alternative would be a great extension of the sale period time of 5, 10, 15, or 20 years; is that correct?

Mr. JACKSON. That is right. And right at that point, Mr. Chairman, I think that among the things that the special committee having to do with proposing amendments to now Public Law 587 was that there was a clause among the proposed amendments asking that a Federal charter be set up rather than immediate termination, with the intent being to give ourselves a chance to adjust ourselves to the various phases of the things that we would have to face during the interim period of final termination.

Mr. WOLF. Mr. Jackson, when you reached the final showdown on Public Law 587 as to whether you would go along with its enactment or not, wasn't it the general feeling that there would be no massive withdrawal of members and there would be no liquidation of your

resources overnight, that there would only be a small portion of the tribe that would exercise the withdrawal provision?

Mr. JACKSON. Yes. That was our immediate thinking.

Mr. WOLF. You didn't see this calamity of disposing of all of your timber in 18 or 20 months coming up?

Mr. JACKSON. No, that wasn't any part of our thinking.

Mr. WOLF. If it had been called to your attention that in all probability the whole reservation might be liquidated and you would not get the full value of your timber, do you think the tribe would have instructed you differently?

Mr. JACKSON. On that I couldn't give you any definite answer. I don't know just what the then position of the members of the tribe would be.

Mr. WOLF. Would you have recommended that the tribe instruct you differently supporting Public Law 587?

Mr. JACKSON. I didn't get that.

Mr. WOLF. Would you have recommended that the tribe instruct you differently?

Mr. JACKSON. As a delegate for the tribe, why, I don't have that alternative to ask that I be given certain other instructions as coming from myself.

Senator NEUBERGER. Along that line, I think the Management Specialists have recommended that the assets be turned over to a trustee for management for those who would recommend to stay in after an election. Supposing these other alternatives fail, supposing Federal purchase does not pass Congress; supposing repeal of Public Law 587 is impossible for legal and constitutional reasons, would you think it a good solution to repeal the withdrawal procedure in Public Law 587, just that part of it, and turn over the assets to a trustee for management as the Management Specialists, led by Mr. Watters, have suggested for those who elect to remain in the tribe? Would you think that would be any sort of solution?

Mr. JACKSON. That is a difficult question to answer.

Senator NEUBERGER. I want you to understand I am not recommending that. I have some grave reservations about it myself, but I am just asking you a tentative question on it.

Mr. JACKSON. I understand that, and my thinking on that would be that—now I will have to ask you to restate your question.

Senator NEUBERGER. Well, I admit it is a confusing thing and if you are confused, I am confused, too, because this is a very complex situation and I think it would take the wisdom of Solomon and the seventh son of a seventh son to understand it fully, so you and I are in the same position, Mr. Jackson. But I think you know that Mr. Watters and his associates have recommended a trusteeship form of management for those who elect to remain in the tribe. Now, supposing we repealed just the withdrawal provisions in Public Law 587 and set up some form of trusteeship for the entire reservation. What would you think of that as an alternative in case we are just driven against the wall and these other possibilities fail?

Mr. JACKSON. Our position would be that as it now is, which hasn't been made clear to us: Why is it better policy to have the Federal trusteeship relinquished for that of the State? Why is it better? That is the point that has been confusing. And if a trustee organization is set up to administer our business, why, wouldn't it be that

they would have to in substance follow the yardstick as laid down for us by the Federal trusteeship? You see, they would have to start from scratch and I just can't conceive as to why and how that could be said to be the only sound answer.

Senator NEUBERGER. In other words, you have some doubts about that alternative?

Mr. JACKSON. I certainly have.

Senator NEUBERGER. Let me ask you one question, then we will recess. If you had it to do over again, and we could call back the past, which no mortal can do, but if you had it to do over again, would you support Public Law 587?

Mr. JACKSON. No.

Senator NEUBERGER. Mr. Davis, what is your answer to that question?

Mr. DAVIS. My answer would be "No."

Senator NEUBERGER. Mr. Kirk?

Mr. KIRK. I never have supported the law itself. I surely would not.

Senator NEUBERGER. Mr. Jackson, I certainly thank you for coming here. You always bring useful information. I am particularly grateful to you for highlighting the possible effect that S. 2047 might have on guardianships. I am going to get some legal answers on that immediately. If it would jeopardize the guardianship provisions we had in S. 469, you can be sure I will have amendments drawn accordingly. Thank you, Mr. Kirk, Mr. Davis.

As a Braves fan I regret very much to have to announce that the Yankees won the first game of the world series 3 to 1. We stand in recess until 2 o'clock.

(Whereupon the hearing recessed at 12:30 p. m., reconvening at 2. p. m.)

AFTERNOON SESSION

Senator NEUBERGER. Will we please come to order? Before we hear from the first witness this afternoon, I should like to say that it is my hope that every future witness will be as brief as possible and, yet, at the same time, will make such statement and provide such information as he or she deems necessary.

I have a resolution adopted by the Central Labor Council of Klamath Falls, Oreg., signed by H. W. Waits, Jr., president; Alma Sweetman, secretary; and C. D. Long, delegate; which deals with the attitude of the Klamath Falls Central Labor Council on this question. They have not asked to read it or present it, but wish that it appear in the hearing record, and without objection it will appear in the hearing record at this point.

(The document referred to follows:)

CENTRAL LABOR COUNCIL OF KLAMATH FALLS, OREG.,
Klamath Falls, Oreg.

Senator NEUBERGER,
Senate Investigating Committee,
Klamath Termination Act,
In Session at Klamath Falls, Oreg., October 2, 1957.

Whereas the Congress of the United States has passed an act to terminate the Klamath Indian Reservation as such and portends to appraise the assets of the Klamath Tribe of Indians; and

Whereas this act provides further that the Indian agency be discontinued after a certain date specified in the act and its amendments; and

Whereas this action on the part of the Federal Government will place this tribe of Indians on its own to manage its affairs as individuals; and

Whereas a sale of the assets of this tribe would net a large sum of money per capita, estimated at approximately $50,000 each, man, woman, and child; and

Whereas this sum of money placed in the hands of these Indians would be a target for unscrupulous persons who would use to every advantage, the inexperience of these people in money matters; and

Whereas this sudden influx of wealth on the part of the Indian and the immediate acquisition of the timber growth on the tribal lands within the reservation would cause a serious upset in the economy of Klamath County and to the State of Oregon as well as to the lumber market in the entire Northwest: Therefore be it

Resolved by this Klamath Falls Central Labor Union, AFL–CIO, That we issue this statement of policy and send a copy to the Senate Investigating Committee in session in Klamath Falls, Oreg., October 2, 1957, to wit: We, the Central Labor Union, AFL–CIO, urge the Congress of the United States to consider very carefully the subject matter contained in this particular act and if it feels that termination of the Klamath Indian Reservation is an absolute necessity, then they empower the Federal Government to purchase the entire reservation and to make proper provision for adequate protection of the funds paid to the Indians and, further, that timber sales from this tract be handled in such a manner as to be fair to the small operators who may wish to purchase for cutting on a sustained-yield basis. We feel further that such small operators be recognized as part of the free-enterprise system of the Nation's economy.

We especially wish to call to your attention the necessity of continued supervision of the funds paid to the Indians. While we recognize the fact that many of these people are wholly capable of managing their own affairs and finances, we also feel apprehensive of the fact that many of them are not capable of handling any large sum of money and will become the prey of "sharpies," "swindlers," "con men," and others of their ilk. Then, after the Indian and his money are separated, what is to be his final fate—a county or State charge for the balance of his days and even his descendents will have no recourse but to become also State and/or county charges.

Further, we, as a labor council, are requesting that the Federal Government do purchase the reservation outright and that it dispense the funds to the Indians in such a manner that is properly safeguarded from those who would take undue advantage of the inexperience of these former wards of the Government.

Failing in this, we urgently appeal to you to return the Indian to his former status and repeal the act in its entirety.

Respectfully submitted.

KLAMATH FALLS CENTRAL LABOR UNION,
AFL–CIO,
By H. W. WAITS, Jr., *President.*
ALMA SWEETMAN, *Secretary.*
C. D. LONG, *Delegate.*

Senator NEUBERGER. I have a telegram from the distinguished Member of Congress from the Second Oregon District, who represents this area in the House of Representatives, and I should like to read it:

Regret that previous commitments prevent me from joining your subcommittee for these important hearings.

You and I agree that it is imperative that legislation be enacted changing the present untenable termination formula. It is only by doing so that Indian rights can be protected and the great reservation resources preserved.

Consequently, I believe that your hearings and the forthcoming visit of the House Indian Affairs Subcommittee on which I serve are of inestimable importance to the formulation of a sound termination program.

My thanks for your kind invitation and my best wishes for a constructive hearing.

Congressman AL ULLMAN.

In addition, Mr. Elnathan Davis, who, with Mr. Jackson and Mr. Kirk, represented the Klamath Tribal Executive Committee before our subcommittee this morning, has made a request of me. Mr. Davis has asked particularly that a study by the Klamath Management Specialists dated December 19, 1956, entitled "Some of the Social Implications of Public Law 587" be included in the hearing record. It is a rather long document, but I have looked it over and because Public Law 587 is very much at issue here, I agree with Mr. Davis that it should be included in the hearing record, and, without objection, it is so ordered.

(The document referred to follows:)

KLAMATH MANAGEMENT SPECIALISTS

Klamath Falls, Oreg.

SOME OF THE SOCIAL IMPLICATIONS OF PUBLIC LAW 587

Accompanying the proposed Klamath terminal legislation when it was submitted to Congress in January of 1954 was a letter from the Office of the Secretary of the Interior which contained the following statement:

"Through intermarriage with non-Indians and cooperative work and association with their non-Indian neighbors, such as adult education and technical assistance programs, education in the public schools over an extended period of years, and employment in gainful occupations within and without the reservation, *these people have been largely integrated into all phases of the economic and social life of the area.*" [Italic supplied.]

It may be assumed that this statement was made in reference to that group of adult Klamaths living on the reservation in Klamath County, Oreg., as Klamath agency welfare personnel have stated that only recently has any appreciable amount of information been gathered concerning the approximately 40 percent of the tribe that is scattered over the rest of Oregon and 19 other States. Our factual information necessarily pertains to the majority group of the tribe, i. e., that group living on the Klamath Reservation which comprises approximately 60 percent of the total adult tribal population. Reference to Klamath tribal members in the body of this report apply to those still on the reservation, the majority of the tribe.

While our duties as management specialists under our contract with the Secretary of the Interior have to do with the physical resources of the tribe and the economic implications of Public Law 587, we cannot ignore the basic social implications of this legislation. Of national importance is the question of what will happen to the Klamath tribal forests and lands under the terms of Public Law 587. Of equal importance is the question of what will happen to the 2,000 human beings who are directly affected by this law. The management specialists do not presume to have the answer to that question. However, as we have become increasingly familiar with the situation on the reservation, and as we have studied the documents and statements that were submitted to Congress along with the original legislation that became Public Law 587, and as we have become more familiar with the contents of the transcripts of the hearings that were held relative to Klamath terminal legislation, we have become convinced that Congress acted on the basis of inaccurate information concerning the majority of Klamath tribal members. It is most important that the facts be made known to all concerned with Klamath terminal legislation. The Klamaths are entitled to consideration in the light of valid factual information. The decision to terminate Federal supervision over the property and affairs of the Klamaths, to bring to a halt practices which have been in effect longer than the span of memory of the oldest living tribal members, is an important decision. Such a decision, and the legislation for implementing it, must necessarily be based on facts.

The Secretary of the Interior has called for a review of the entire Klamath termination picture with the objective of making certain that termination of Federal supervision is brought about without harmful effects. It is essential, therefore, that he also have access to the facts which are so fraught with both economic and social implications, and that he give them careful consideration.

We are in favor of terminal legislation for the Klamath Tribe. We feel that an indefinite continuation of the present situation is undesirable, and that there is more than ample evidence to support the conclusion that the Klamaths will not realize their potential for becoming responsible, respected, and self-respecting citizens under continued Federal supervision. It is our contention that Congress intended that the carrying out of the mandate contained in House Resolution 108 be based on nothing less than factual information. Consideration may well be given, by the Secretary of the Interior and by Members of the Congress, to the information contained in the remainder of this report.

MANAGEMENT OF AFFAIRS

One concept held by the members of the Committees on Indian Affairs would seem to be that the Klamaths are, and have for a long time been managing their own affairs. The fact of the matter is that the Klamaths have never managed their own affairs as a group since the establishment of the reservation and there is a large group of the Klamaths whose members do not manage their own affairs as individuals. Historically the Klamaths have never practiced unity in any true sense of the word. The lack of unity is reflected in the present state of tribal affairs in that many times in recent years the tribal general council has been unable to convene at a scheduled meeting for lack of the necessary quorum of 100 eligible members or has been unable to complete the deliberation of items on the agenda because of the failure of the quorum to remain at the meeting. Many adult members of the tribe do not attend the meetings of the general council, either because they are disturbed by the constant bickering and dissension within the tribe, or because they are not sufficiently motivated by interest in their own affairs. Many members have expressed the opinion that the function of the general council has degenerated to such a point that attending the meetings is merely an empty gesture.

Every major decision of the Klamaths, expressed through the general council or the 10-member tribal executive committee, is and has been subject to veto by the Bureau of Indian Affairs. Such financial matters as the budget for operation of the Agency, sales of tribal timber, and distribution of per capita payments are either planned by the Bureau and submitted to the tribal general council for approval, or, if they are initiated by the general council or the tribal executive committee, must be proposed to and approved by the Bureau before planning may proceed.

A typical example of the control which it has been deemed necessary to exercise over the affairs of the Klamaths is the Federal regulation requiring approval by the Bureau of Indian Affairs for any loan in excess of $3,000 which the tribal loan board proposed making to a tribal member. This fact fails to bear out the conclusion voiced by many witnesses at the various hearings that the Klamaths are and have been successfully managing their own affairs as a group. Also inconsistent with this conclusion is the fact that only 15 of approximately 70 permanent employees of the Klamath Agency are Klamaths and none of these 15 hold major administrative or finance positions.

The picture involving individual management of personal affairs is not promising. One month after the passage of Public Law 587, 240 adults were considered by a local committee to be incompetent to handle their own personal funds, and the funds of 600 minor tribal members were held at the agency for supervision. This means that almost 50 percent of the adult Klamaths then living on the reservation were not considered competent to handle their own funds at the time Public Law 587 was passed. We have been advised that there were at that time practically no records pertaining to those tribal members residing away from the reservation.

Records disclose a number of case histories of individuals who have received substantially large sums of cash at various times and have dissipated those sums with no apparent increase in their standard of living. Three of the more recent examples of this type involve a 40-year-old male Klamath who received $2,180 in a lump sum in December of 1955 and did not have money for food 2 weeks later, a 50-year-old female tribal member who received close to $70,000 during the summer of 1955 and who is currently borrowing money, and a middle-aged male Klamath who received more than $11,000 in February 1956, and by midsummer had spent more than $8,000 with no perceptible increase in his standard of living.

Since 1949, and even prior to that time, many Klamaths have received sums of money in excess of $10,000 and only a very few have had the protection of

a guardian. Some of these persons have used their funds judiciously, but they would seem to be in the minority. At any rate, the records show a sufficient number of these people who have dissipated large sums of money with no apparent increase in their standards of living to cause concern and to serve as a warning that any terminal legislation should contain proper safeguards for the future security of all tribal members.

BACKGROUND OF EDUCATION, TRAINING, AND EXPERIENCE

Information furnished to members of the Committees on Indian Affairs indicates that the Klamaths have received an education in the public schools comparable to that of all other citizens. The fact is that in the school year 1953–54 the schoolwork of 40 percent of the 225 Klamath Indian children enrolled in Klamath County public schools was not sufficiently satisfactory to warrant their being promoted to the next grade. Another fact is that during the 13-year period from 1934 through 1947, only 10 Klamaths were graduated from Klamath County high schools. This is particularly unfortunate in view of the fact that one should expect this latter age group to assume control over tribal affairs and to provide management personnel for any posttermination legal entity.

Public schools have been available to these people since 1927 but only a few have been interested in securing an education. Not until 1953 could State authorities enforce school attendance and the manner in which enforcement has been attempted since 1953 has lacked the vigor and consistency which the situation appears to demand.

In general the Indians on the Klamath Reservation have received a very poor education. This has been attributed chiefly to the prevailing attitude of the Klamaths themselves—an attitude which has reflected apathy, or outright opposition on the part of many of the parents toward their children's schooling. Circumstancees under Government supervision appear to have bred a philosophy which fails to place proper emphasis on either the need for or the value of an education.

A study of the available statistics leads to the following conclusions:

1. The Klamath Indians do not nearly measure up to their non-Indian neighbors in terms of educational background, and

2. There is no statistical support for the thesis that the Klamaths have the necessary education, business experience, or unanimity of purpose to manage their assets under a corporate entity.

Insofar as experience in business management is concerned there is at present one tribal member who appears to be successfully operating a service station and store on the reservation and a few Klamath Indians who are operating ranches with varying degrees of success. To what extent these Indian ranchers would be successful in a competitive situation in which they were required, without benefit of per capita payments, to pay the same grazing fees as the non-Indian ranchers in the area, and to raise or buy their winter feed, is a most serious question.

WORK RECORD AND POTENTIAL

While it is known that a number of Klamaths both on and off the reservation have established good work records, generally the work record of the Klamaths leaves much to be desired and the future is not bright. It appears that more than two-thirds of the 270 able-bodied male Klamaths on the reservation between the ages of 18 and 63 either do not work at all or work only off and on. The majority of this group live, so to speak, from one per capita to the next.

The manager of the Klamath County office of the Oregon State Employment Service has stated that almost without exception the employers in the Klamath Basin will not hire a Klamath Indian if they can possibly avoid doing so. This attitude is attributed to the want of a sense of responsibility and the lack of dependability on the part of a great many of the Klamaths. It must be kept in mind that upon termination of Federal supervision these people, the majority of whom have no special skills or training, and less than an average amount of public-school training, will be injected into a local situation in which there is a surplus of common labor during all but a few weeks of the year, and in which the annual unemployment figure averages 16 percent of the employable population in the local area.

An example of the attitude of many of the Klamaths toward employment is to be found in the fact that virtually all the Klamath veterans who are

entitled to Federal unemployment insurance upon their return from service lose the benefits within a few weeks through their failure to meet the requirements that they (1) actively seek employment, and (2) accept any suitable employment that is offered.

TRIBAL LOAN BOARD AS AN EXAMPLE OF MANAGEMENT ABILITY

The existence and functions of the Klamath tribal loan board have been cited as an example of the adequate business and management ability of the Klamaths as a group. When viewed in the light of the facts, this example proves otherwise, as the records show that at the time of the passage of Public Law 587 the affairs of the tribal loan board were in a sorry state. Klamath Agency personnel familiar with the functions of the loan board have stated that the primary result of the function of the board has been to give the Klamaths negative and improper credit training and experience. The great majority, estimated to have been as great as 90 percent of the loans that were made by the loan board to tribal members were nonproductive loans. It became the common practice to allow a tribal member whose loan had become due to borrow enough to pay the loan currently due and have some to spare. Eventually, when some payment had to be made, the Bureau personnel simply decreed that the individual's per capita payments were to be automatically applied to the delinquent loan. Thus we see that it became the major function of the Klamath tribal loan board to make advances on per capita payments and there was little or nothing in the situation to imbue the tribal members with any sense of financial responsibility or realization of the value of a desirable credit record.

We have been informed that during the period of operation of the tribal loan board only two applications for a loan to be used to purchase land were made by tribal members.

RECORD OF SOCIAL ADJUSTMENT

One indication of the degree of social integration of any group is the record of how well or how poorly that group mauages to live within the laws of the local community. The experience of the Klamaths in this respect is very poor. Court records within Klamath County indicate that a substantial majority of the local adult Klamaths have been arrested and convicted during the past 10 years for offenses other than traffic violations. The number of convictions ranges from 1 to more than 100 per individual. There appear to be substantially greater proportions of convictions for misdemeanors and felonies among the Klamaths than one finds in the general population.

Another iudication of satisfactory or unsatisfactory integration and adjustment is to be found in the quality of the domestic relations within a group. Here, again, the Klamaths fall short of a desirable record, with the reported number of desertions, illicit unions, illegitimacies and extramarital relations appearing to far exceed that of the public at large. We do not presume to pass judgment on that segment of the tribe whose moral code differs from that of the general public, but merely point out the existing difference. The record also shows that the Klamath Indians whose numbers in Klamath County comprise less than 3 percent of the county population, are accounting for almost 50 percent of the child dependency cases requiring county welfare services.

PREDICTED EXPLOITATION

We share the opinion of many persons who are participating in the Klamath terminal program that concerted efforts will be made by certaiu tribal members and by non-Indians to exploit the Klamaths and relieve many of them of their wealth. One such effort by a tribal member, a direct violation of section 4 of Public Law 587, is a matter of record.

We suggest a very careful review of the provisions of section 15 of Public Law 587 and the manner in which those provisions are being implemented, as the broad provisions of this particular section give rise to many of the social implications of this legislation. Certain developments, such as the unprecedented costs to the Klamath people of the required guardianships, do not seem to be consistent with the intentions of government officials as expressed at the hearings nor with the trust relatiouship existing between the Federal Government and the Klamath Indians. The adequacy of the protection afforded under Ore-

gon laws to Klamath minors, incompetents, and others in need of assistance in conducting their affairs is open to serious question. This basic issue warrants a careful reconsideration by all persons responsible for terminating Federal supervision over the affairs of the Klamaths.

The Klamath Indians have been described to Congress as one of the most advanced Indian groups in the United States. To substantiate this has been offered a description of their material possessions and references to the absence of Indian customs and dress. We suggest that a more reasonable criterion than the extent to which the Klamaths have shed the blanket is how well the majority of them have acquired the skills and attitudes necessary for the assumption of the responsibilities in a non-Indian society which they will be required to assume upon termination.

Senator NEUBERGER. Our first witness this afternoon is Mrs. Dorothy McAnulty. Mrs. McAnulty, we will be pleased to hear from you at this time.

STATEMENT OF MRS. DOROTHY McANULTY, MEMBER OF THE KLAMATH TRIBE

Mrs. MCANULTY. Mr. Chairman and visitors, ladies and gentlemen, I am a member of the Klamath Tribe and a former member of the executive committee. I wish to state here, as I have stated before, that I have never been in accord with Public Law 587. It seems to have so many things in it that are not understandable; and when I was on the executive committee we felt that it still should be given—that some amendments should be made.

I felt at first when it came out that we should repeal it. In the very beginning, as I understood it, when we worked on it, it was to have a withdrawal bill for those that wished to withdraw, and I have never felt that the way we were under the supervision of the Government was ever going to mean any advancement for us any more than we would if we were under the Indian Bureau supervision for another hundred years, if we lived that long. We would still be the same as we are now.

It would seem to me that they should have been instructing our members of the tribe to stand on their own feet and manage their affairs. However, that is past, and it seems now we are in a position where there is no turning back, and something must be done; and, when the honorable Senators and the different ones find the difficulties, they can readily understand the position that the members of the Klamath Tribe are in, where it is very difficult for them to understand how to work out a solution to this difficult problem.

As I see it—the public bill as it is written—there are a lot of things that are not mentioned. One of them is subsurface rights, which we have never been able to find out, not being able to stand on our own feet and do the things that we might do to investigate to find whether we have any mineral resources that are worth investigating and finding out about. We have never been in a position to do it. In other words, it is an undeveloped resource. And no mention is made for preserving for the Indian people in the future the subsurface rights that may eventually be uncovered.

There is no mention of it with the carrying out of Public Law 587 for the loss of our hunting and fishing rights. In addition to that, there is no other provision made; there is a provision made for those that have their personal property, individually owned property, the

subsurface rights; so it was not something they didn't think of at all, but it was not made on the tribal lands owned by the members of the tribe.

We do know that we have had titanium on the reservation. We know that there are valuable timber resources; and when the termination came up, I felt that it meant the end of the supervision of the Government over the Indians, and, since they were competent to handle their own affairs, that they would then be able to take over their reservation and operate it themselves. The things that they did not understand, surely, with the expense of going out, they could have hired competent people to have managed different things.

We had our pumice; we had our timberlands; we had our grazing lands that the nonmembers of the tribe have been getting wealthy on. We could have bought with our funds in the reserve. A lot of people felt that Mr. Crawford when you offered the proposition before the people it was turned down because I imagine he was the instigator of it, but he did have a wonderful plan that was put before, we wanted to put it before the people, whereby we could have all banded in together and made something of our reservation. But it was a plan that would have worked.

Now, the plan that they have for the remaining members of the tribe, I have never wanted to withdraw. However, the plan that as I see it now, and understand it, that is put before us, I see no future to it. It seems very inadequate and very lame and I suppose there is no reflection on the management specialists because I realize they have had a very difficult task to try to carry out Public Law 587. Because, as I see it, the little piece of land that is reserved for the supposedly 20 percent of the pe ople that remain, there is nothing set up whereby more, it could be carried on. In other words, it is just sell and sell and sell until there is nothing left to sell. Then if the timber should drop and the market should go down, for every dollar, as I understand it, it would be a loss to each member for every member of $33. I believe that was the amount.

Then we have no assurance that the timber market is going to remain up, especially if the other timber is sold to pay off the withdrawing members. Why would they go and pay a big price for this other timber and in the meantime while they are selling all this other, this land, as I see it on the map is isolated away from railroads, or any roads, or any water, and it is going to be hard to get at, and where they have got all this other land, why would they go in and cut that little bit of land for the remaining members? And if this should drop down to—well, each time that would mean a loss of $33 for each member on every dollar, that is $350; isn't it? Or $350 if the $33, if it is $33. In a year's time if it should drop down to the amount where I had it all straightened out here but I'm not going to take the time to look it up. But we have no assurance in the timber that it will not drop clear down to where it used to be years ago, and in that case, as I figured it out, it would amount to about $350 a year for each remaining member.

Well, how could they exist on such a thing? Then it brings out the fact that if in order to keep up a livable amount they would have to sell the land that this timber was cut off of. Well, if they sold the land

and kept on doing that, how long would those people have anything? What is there to remain for?

Then we are told again if we withdraw that our timber would be put up on the market if the Government doesn't buy it and it would be bought at a price that these big lumber companies or whoever bought it would want to pay. What is there to stop them from all going in together and bidding a certain amount and just taking it that way?

I can see no future for it at all. I don't see anything that—they talked about the saving of it for the watersheds and the preservation of this land for the wildlife and fish. But what about the people? Does anybody give any thought to the people?

What is a fair price that the Government is supposed to pay? Who is to set the fair price, and how do we know what is a fair price, and if it goes on for another 2 more years, who knows what the market will be at the end of 2 years?

Senator NEUBERGER. Mrs. McAnulty, let me ask you this question so we come to some conclusion. What do you recommend that the Congress do?

Mrs. MCANULTY. Well, it is so late in the day, I say, Senator, we have been kept in the dark as to even what is going on. We, the people that are to be terminated, know nothing about these things.

Senator NEUBERGER. Mrs. McAnulty, I think you have to address yourself to something that is within the province of the Congress of the United States.

Mrs. MCANULTY. Yes; I understand that.

Senator NEUBERGER. You understand that?

Mrs. MCANULTY. Yes; I do.

Senator NEUBERGER. There are only certain things that we can even try to do. This is not a situation of our doing; it is a situation of our inheritance. Now, what do you suggest we do at this point? What policy would you propose that we follow?

I want to say this: I think you have made a very good recommendation as to subsurface rights. That is the purpose of a hearing, to find out some of these things. Now, I haven't gone into it fully with the committee staff, but I believe we might very feasibly try to recommend this Federal purchase bill so that the subsurface mineral rights on the reservation lands be held for the Indians for a period of, let's say, 25 or 50 years, and I am going to look into amending the bill in that respect. But what other policy do you advise us to follow?

Mrs. MCANULTY. Well, I feel this way about it, Senator Neuberger: I have never felt that we should ever at any time break up the reservation. Our people have considered it home. I have always stated that no matter how. But as Mr. Davis said this morning, they talk about the things that are going on down in the South now, but are the people in Klamath County going to welcome our people into the homes? I know of instances where they won't even rent to an Indian, and the termination isn't going to make white people out of them. They are still going to be Indians and treated as such.

What about that? What is their money going to be good to them for if they can't buy a home and they have to live in a place where they don't want to live? Now I am speaking of all of us together. I am not just speaking of 2 or 3 that have always had homes, maybe.

I am speaking of all of us. I am putting myself in it as one of the people on the reservation. Are they going to be treated like people should be treated? No. I can answer that truthfully now. They are not. It is wonderful as long as they have money. When the money is gone they are just Indians.

Now, those are the things that my people are going to have to face.

Senator NEUBERGER. Why did your people favor termination?

Mrs. MCANULTY. I don't believe they did.

Senator NEUBERGER. In 1954?

Mrs. MCANULTY. I don't believe they did understand it any more than they understand this now.

Senator NEUBERGER. Let me say this: This is what puzzles me. You know I have only been in the Congress 2½ years. I came there after termination had been effected, and it was the law of the land. But the thing that has puzzled me ever since I first went on the Indian Affairs Subcommittee is that I have met hardly any members of the Klamath Tribe who have told me they favored termination. And yet it is my understanding, and I would like to check this with Mr. Gamble and Mr. Wolf, who have been with the Federal Government longer than I have: Isn't it true that, when the termination bill was put through in 1954, the Klamath Indian Tribe was officially on record in favor of the bill? Is that right or wrong?

Mr. WOLF. That is what Mr. Jackson testified.

Senator NEUBERGER. He did testify to that this morning, and that is a fact of record, isn't it?

Mr. GAMBLE. It is.

Senator NEUBERGER. That is what puzzles me and perplexes me.

Mrs. MCANULTY. Termination and the selling of the reservation was definitely not understood. I know that it wasn't. I worked on different committees, and I worked there, but I didn't even understand it. How would the people that are out on the reservation, that know nothing about these things, know that their homes and everything around them, and the reservation itself was to be because of the termination of the supervision, Government supervision over the Indian? Now that is something I didn't even understand.

Senator NEUBERGER. I realize that Secretary McKay and the group around him favored termination, and yet I have never felt that President Eisenhower would have signed Public Law 587 if he had felt that the Klamath Tribe as such was opposed to it, or if representation had been made to the President by the Klamath Tribe, and I am puzzled why now there are some of you who say what a great mistake termination is. I am inclined to agree with you in many respects, but why was that not said in 1954 when the law was passed by Congress and the President signed it? That is what I don't understand.

Mrs. MCANULTY. As near as I can explain it, Senator, the withdrawal bill and the termination, the supervision of the Government over the Indian and the $250 per capita, the payment which the Indians needed so badly, is your answer.

Senator NEUBERGER. You mean that $250 per capita payment?

Mrs. MCANULTY. That was merged in with it. That is your answer. A lot of those people were destitute.

Senator NEUBERGER. You remember I asked a question earlier this morning.

Mrs. McAnulty. I am answering it in plain words. Some of the people were destitute and they needed this money, and all they could see, a lot of them can see now, is this $50,000, or $40,000, that they are going to get when the timber is sold. Now, there is your answer.

Senator Neuberger. Let me ask you this, Mrs. McAnulty; we must get along. What would you recommend? You were here this morning, I think, when I discussed alternatives with Mr. Jackson and his associates. Of all the alternatives you heard mentioned, which would you prefer?

Mrs. McAnulty. Well, there isn't much choice in any of them. I don't prefer any of them because if—I would prefer the Government paying for it, buying the timber at a price, but I would like to know what that fair price was. Is it going to be a special price made for the Government to buy, or would it be a fair market price?

Senator Neuberger. Well, I think you heard Mr. Jackson recommend that my bill be amended to eliminate the appraisal method set out in the bill, and that the appraisal being worked out by the Management Specialists be accepted as final. I think that was Mr. Jackson's recommendation. Would you think that was agreeable?

Mrs. McAnulty. Well, I don't know whether I would or not. I don't know who is making the appraisals; whether they have a special appraisal. Who appointed the other appraisers besides the ones that the Management Specialists were making? Was that done by the Government?

Senator Neuberger. It has been done under the direction of the Management Specialists, it is my understanding, and that was what Mr. Jackson had reference to.

Mrs. McAnulty. I think whatever appraisal they arrive at, and it is a fair appraisal.

Mr. Wolf. If the appraisal that the Management Specialists hope to have on October 21, were satisfactory to you, would you then say that you would be in favor of Federal purchase?

Mrs. McAnulty. Yes; I would.

Mr. Wolf. And, if it weren't satisfactory, what would you think should be done then?

Mrs. McAnulty. Well, if repealing the law would mean going back under the Indian Bureau, I would say that we wouldn't be any better off than we were before.

Senator Neuberger. There was a figure used last night in an article, I believe, on the front page of the Klamath Falls newspaper, the News and Herald, which gave an appraised figure of $113 million. Would you think that was a fair appraisal?

Mrs. McAnulty. I would say so. But I still feel that, if they could repeal the law in such a way so as to let the Indians themselves make the plans that they wanted to make, it would be fine for whatever they wanted to do, but to repeal it and put us back under the Indian Bureau, where you can't even cut a tree on your own land without a lot of redtape, why, I can't see where we would be any better off. And I do feel, though, that if the State was, if the Government didn't buy it and the State did want to buy this land, I believe that something could be worked out on that, since they are going to put it, if ample security was made for the children's funds, since they are not going to allow the children to have any way instead of putting them under all these

guardians that are going to charge such exorbitant prices for guardianship, if they would put sufficient security to see that these children receive their money when they reach majority, and then pay the adult members the amount that they were supposed to receive for the sale of their timber, I believe that would be a sensible way for the State to retain their resources that they are worried so much about, and their fish and game and wildlife deal, and nobody would suffer from it. I believe that could work out.

Senator NEUBERGER. Mrs. McAnulty, thank you very much for coming, and I think you have performed a very useful service in calling to our attention particularly the subject of subsurface rights, and I am going to see to it that an amendment is prepared to S. 2047 dealing with that. Thank you so much.

The next witness will be Mr. Orth Sisemore, attorney of Klamath Falls, and I believe he is accompanied by Mr. Nelson Reid for a citizens committee. I understand from Mr. Gamble that you are appearing in place of Mr. Sisemore, is that correct?

Mr. NELSON REID. I believe so, yes.

Senator NEUBERGER. Mr. Reid, we are pleased to see you today?

STATEMENT OF NELSON REID, REPRESENTING KLAMATH FALLS CITIZENS COMMITTEE

Mr. REID. I have a petition that has been signed by some 430 people, not only of this immediate area but also some from adjoining areas such as Bend, Medford, and Ashland. I would like to read it.

Senator NEUBERGER. All right.

Mr. REID [reading]:

PETITION TO THE SENATE SUBCOMMITTEE ON INDIAN AFFAIRS IN REGARD TO PUBLIC LAW 587

We, the undersigned, have given much thought and careful consideration to Public Law 587. There appears to be three possible basic plans for the termination of the Klamath Indian Reservation:

(1) The immediate sale of the tribal timber lands in relatively small tracts to the highest bidder.

(2) The sale of the tribal timber lands to the State of Oregon, to be cut on a sustained-yield basis.

(3) The sale of the tribal timber lands to the Federal Government, to be cut on a sustained-yield basis.

We are definitely opposed to plan 1. To offer the timber for immediate sale in relatively small tracts would certainly result in a "boom-and-bust" economy, not only for this but for adjacent areas. It would glut the already depressed timber market to the point where the Klamath Indians could not hope to receive stumpage prices comparable to the prices they have been getting. Worst of all, purchasers of relatively small tracts could operate under State of Oregon forestry regulations which could mean practically "clear cutting." Relatively small tracts of timber cannot be harvested economically on a sustained-yield basis over a period of years. The "clear cutting" of much of the reservation would result in great damage to the water resources of this area upon which our agriculture and power depend. The principal streams that feed Upper Klamath Lake, that great reservoir for our irrigation and power development, all flow out of the Klamath Indian Reservation. To denude this great forest area could easily result in damaging erosion and a disastrous water shortage in dry years. It would hurt our economy, not only immediately but for years to come.

We are opposed to plan 2, to have the State of Oregon purchase the reservation because of practical economic and political problems involved. We do not believe that the people of Oregon would be willing to vote a bond issue for such purchase where the benefits to most of the voters are so indirect. Such a bond issue

today would have to offer a 5-percent coupon in order to sell. Marketed on a sustained-yield basis, the reservation timber could not possibly bear that rate of interest, presuming that the purchase price would give a fair return to the Klamath Indians.

We feel that the only solution that offers a fair return to the Klamath Indians and that will protect the watershed and economy of this area, is plan 3, purchase by the Federal Government. It is experienced in the long-range management of large timber tracts on a sustained-yield basis. While many of us are opposed to Government ownership of any more of this area, we see no other solution. The Federal Government is already trustee for the Klamath Indians. It has an obligation to them by treaty. Purchase by the Federal Government should provide for a fair price to the Klamath Indians. These people should not be required to subsidize continued sustained-yield management. Marsh areas now owned by the tribe could be made more productive of pasture with a minimum amount of reclamation. Those areas more suitable for wildfowl should be left undisturbed except that a provision should be made for public shooting on a fair proportion of the reserve.

We believe that the Congress was wise in decreeing the termination of the Klamath Indian Reservation by Public Law 587. For over 50 years, we have seen the ever-increasing deterioration of the moral fiber of the Klamath Indians. The per capita payments have become nothing but a dole. They have destroyed the initiative and ambition that many of the Klamaths once had. We believe that some system of payment to the Indians after the purchase by the Federal Government can be worked out, so that minors and those incapable of handling large sums of money because of inexperience, can be paid off in serial coupon bonds. Those capable of handling sizable amounts of money should be offered the option of taking their share in a lump sum at a reasonable discount, so that they may have the opportunity to go in business for themselves or invest the money as they see fit. Some method can surely be evolved to encourage initiative and ambition which the present system has certainly destroyed.

The Federal Government does not hesitate to spend a hundred million dollars for the economic and social welfare of foreign countries, with small chance of any direct return. Why should it hesitate to invest a like amount in the welfare of an American community where it already has a treaty obligation and it will have an excellent chance to get back its investment in hard cash and indirect benefits?

We therefore recommend to your committee the Federal purchase of the Klamath Indian Reservation.

Respectfully,

THE UNDERSIGNED.

(The complete exhibit containing 436 signatures is a part of the committee's file.)

Senator NEUBERGER. Thank you very much, Mr. Reid. Are there any questions you would like to ask Mr. Reid? I just have one question. I noticed you referred to public shooting on a portion of the marsh. That isn't incompatible in your mind, is it, with the provisions in S. 2047 that would include some 70,000 acres of the marsh in a waterfowl refuge under the Fish and Wildlife Service?

Mr. REID. No, I don't think it is incompatible. I don't believe that there is much over 20,000 in the marsh that is not privately owned. I think there are some 20,000 acres that are still tribal lands. I could see no objection to public hunting. I know it is a wonderful nesting area. I lived up there for two summers. I don't believe that hunting in the fall has any bad effect at all on the nesting part of it. I think in all our reserve areas a certain proportion should be set aside for public hunting.

Senator NEUBERGER. What is the situation on areas like the Malheur refuge and others? Do they allow hunting?

Mr. REID. I don't know what proportion. I believe there is some area over there. We have limited public hunting areas down here in

the reserve across the California line in Tulelake and in the lower Klamath.

Senator NEUBERGER. Mr. Wolf, you have been with the Interior Department conservation agencies. What are the rules with regard to hunting on wildlife sanctuaries and reserves?

Mr. WOLF. I have never had any experience with the Fish and Wildlife Service, but I think we could ask them to supply for the record what their policy is.

Senator NEUBERGER. I would like to have that. Mr. Sigler, would you get for us from the Fish and Wildlife Service a comprehensive statement governing hunting in and along the reserves and waterfowl sanctuaries?

Mr. SIGLER. Yes, I shall.

Mr. REID. Senator, I think some representatives of sportmen's associations will probably discuss that.

Senator NEUBERGER. I appreciate your calling this to our attention, too, and thank you very much, Mr. Reid.

(The following information was subsequently submitted:)

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., October 31, 1957.

Hon. RICHARD L. NEUBERGER,
Subcommittee on Indian Affairs, Committee on Interior and Insular Affairs United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: During your recent subcommittee hearings in Klamath Falls, Oreg., on October 2, 1957, you asked for information about hunting and fishing on wildlife refuges administered by the United States Fish and Wildlife Service.

Migratory bird and wildlife refuges fall into three general categories:

1. Refuges established under the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222, 16 U. S. C. 715), as amended. Under section 5 of that act, the refuges are inviolate sanctuaries for migratory birds. Inviolate sanctuary means that the birds are to have undisturbed use of the lands.

The Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451, 16 U. S. C. 718), supplements the Migratory Bird Conservation Act by providing funds for the acquisition of areas, but it does not change the status of the refuges as inviolate sanctuaries.

2. Areas acquired with duck stamp funds under the act of August 12, 1949 (63 Stat. 599), which was an amendment to the Migratory Bird Hunting Stamp Act. Under section 4 of this act, the areas acquired with duck stamp funds become parts of inviolate sanctuaries under the 1929 act, but "in the discretion of the Secretary of the Interior not to exceed 25 per centum at any one time, of any area acquired in accordance with the provisions of this Act, may be administered primarily as a wildlife management area not subject to the prohibitions against the taking of birds, or nests or the eggs thereof, as contained in section 10 of the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222; 16 U. S. C. 715i), as amended, except that no such area shall be open to the shooting of migratory birds when the population of such birds frequenting the area or in the migrations utilizing such area is on a decline, nor prior to July 1, 1952, or the date upon which the same has been fully developed as a management area, refuge, reservation, or breeding ground, whichever is later."

3. Wildlife refuges created by special act of Congress or by a withdrawal of public lands where hunting and fishing is permitted in accordance with rules and regulations of the Secretary of the Interior.

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary of the Interior.

Senator NEUBERGER. As long as this matter has been raised, I am going to read a very brief telegram from a gentleman who was to have been a witness here today, but cannot be here. State Representative

Joseph S. Crepeau, of Lane County, has been quite well known as a conservationist and, if I am not mistaken, I think has a small cabin himself somewhere near the agency lake. It is addressed to me as chairman of the subcommittee:

Matter of extreme urgency prevents my testifying in Klamath Falls but I would appreciate your placing me on record. Together with any other sportsman I feel that the preservation of the 68,000 acres of upper marshlands should if possible be preserved as a waterfowl sanctuary. This area is eight times as large as Summer Lake shooting grounds, and contains many thousand more geese and ducks. It is probably the largest waterfowl congregating place on the Pacific coast. I cannot urge too strongly that preservation of this area is a must. Sorry that I cannot be with you in person.

J. S. Crepeau.

Our next witness is Mr. William Ganong, Jr., representing the Chamber of Commerce of Klamath Falls, Indian Affairs Committee. Mr. Ganong, we are happy to have you here.

STATEMENT OF WILLIAM GANONG, JR., INDIAN AFFAIRS COMMITTEE, KLAMATH FALLS CHAMBER OF COMMERCE

Mr. William Ganong, Jr. Mr. Chairman, in order to save the time of the committee, the Klamath County Chamber of Commerce has prepared a written statement of its position for inclusion in the record.

Senator Neuberger. I just want to say at this point that without objection the entire statement presented by the chamber of commerce will appear in the hearing record.

(The statement referred to follows:)

Statement of the Klamath County Chamber of Commerce

I

The following statement is submitted in behalf of the Klamath County Chamber of Commerce:

The Klamath County Chamber of Commerce is a nonprofit corporation organized under the laws of the State of Oregon with its principal place of business at 323 Main Street, Klamath Falls, Oreg. It is a member of the United States Chamber of Commerce. Its membership of 600 firms, business men, and professional men represents the business leadership of Klamath County.

The object of the Klamath County Chamber of Commerce is to promote the agriculture, commercial, economic, industrial, civic, and social interests of Klamath County, Oreg. To attain these objectives the Klamath County Chamber of Commerce by action of the organization and through the work of its various committees dedicates itself to the preservation of the American economic system and the American way of life with special emphasis on: (1) The dignity of the individual; (2) private ownership of property; (3) a free market; (4) profit, wage, and salary incentives; (5) free competition; (6) opposition to the encroachment of government, except where no alternative possibly exists, upon the prerogatives of our system of free enterprise.

II

In February 1954, after the introduction of Senate bill 2745 in the 2d session of the 83d Congress the Klamath County Chamber of Commerce stated its position as follows:

"The Klamath County Chamber of Commerce in the past has consistently taken the position that the question of terminations of the Federal trusteeship over the Klamath Tribe of Indians is primarily a matter to be determined by the tribe and that no policy should be established by the chamber on this matter until the tribe itself had acted. There is no question but that the reservation system as it has existed in the past and now exists is an anachronism and that

it is not in the best interest of either the Indian or nou-Iudian residents of Klamath County that it continue indefinitely into the future, but the Klamath Reservation and the Federal trusteeship were established by a treaty which was duly ratified by the United States, and such an agreement should be terminated or amended only by mutual consent of the contracting parties. However, when the contracting parties agree, as they now appear on the verge of doing, that the reservation shall terminate, then the question of how it shall be terminated is of direct and vital concern to every resident, taxpayer, and businessman in Klamath County, Oreg., and is the legitimate business of the chamber of commerce."

III

In January 1954, Senate bill 2745 (83d Cong., 2d sess.) entitled "A bill to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes" was introduced iu the United States Senate. This bill was prepared by the Bureau of Indian Affairs by direct order of Congress (see H. Con. Res. 108, 83d Cong.), and it was a bill of which the Bureau frankly warned the Joint Subcommittee on Indian Affairs "* * * we had no pride of authorship * * *" (joint hearings before subcommittee of Committees on Interior and Insular Affairs, 83d Cong., 2d sess., on Senate bill 2745 and H. R. 7230, pt. 4, p. 252).

However, whatever its defects may have been, Senate bill 2745 did recognize that further study and planuing would be necessary before any intelligent disposition could be made of the tribal assets. It was an enabling act. It established machinery whereby at a future date, after a period of study and recommendation by qualified specialists, the tribe might prepare and submit to the Secretary of the Interior a plan for future control of tribal property. Section 5 of the bill authorized the tribe to select and retain the services of qualified specialists for the purpose of making studies and reports of its reservation resources and recommendatious for the management thereof, such studies and reports to "include but not be limited to the feasibility of a coutinuation of the practice of sustained-yield management of the Kalmath Indiau Forest." The tribe was to have 2 years from the date of the act to prepare and submit to the Secretary a plan or plans for the management of tribal property. The bill envisaged that 3 years after the date of the act and after a referendum of the adult members of the tribe, the Secretary would transfer title to all tribal property to a corporation or other legal eutity organized by the tribe or to one or more trustees designated by the tribe to be held for management or liquidation purposes under such terms and conditions as might be specified by the tribe and approved by the Secretary. If the tribe failed to act any tribal property not transferred was to be transferred by the Secretary to trustees selected by him for the liquidatiou and distribtuion of assets amoug members of the tribe. This was a bill with which the chamber felt it could agree iu principle and after making certain recommendations for specific chauges the chauber went on record as follows: "* * * it is the opiuion of the Klamath County Chamber of Commerce that the bill is a fair bill and as well designed as possible to meet the complex problems involved in terminating Federal coutrol and if the principles and recommendations herein set forth are embodied in the final versiou of the bill, particularly in those affecting fishiug rights and irrigation projects, that the bill should be passed by Congress."

Unfortunately, the bill which was passed by Congress bore little resemblance, insofar as the disposition of the tribal assets was concerned, with Senate bill 2745 upon which hearing was held in Klauuath Couuty and which was studied and discussed by the chamber and by the people of this county.

The Congress substituted for section 5 of Senate bill 2745 the present section 5 of Public Law 587 which eliminated the period of further study and planning and substituted a crash program for the sale of tribal assets. This was done without the knowledge of the people of Klamath County. In fact, the Klamath County Chamber of Commerce was unaware that this amendment had been made until after the bill had been enacted and signed by the President. There was absolutely no advance warning ever given the people of this county that Congress intended to make this change and radically depart from the bill upon which hearing had been held in this county.

IV

Section 5 of Public Law 587 still remains intact. The stopgap amendment, Public Law 85–132 (85th Cong., 1st sess.) does provide a new section 27 which postpones any sales of tribal property until the adjournment of the second session of Congress, but unless Public Law 587 is further amended when the 85th Congress adjourns in late summer or early fall of 1958, the management specialists will be forced to commence immediate sale of "the portion of tribal property which if sold at the appraised value would provide sufficient funds to pay the members who elect to have their interests converted into money."

Since their appointment, the Management Specialists have, pursuant to the authority vested in them by the act, caused studies and reports to be made. These indicate that approximately 70 percent of the members of the tribe will withdraw. If this occurs it will mean that an estimated 3,200,000,000 board-feet of tribally owned timber will be sold for cash to the highest bidder, just as fast as the Management Specialists can arrange for its sale. The peak production of lumber in Klamath County reached 874,954,000 board-feet in 1942 due to the demands of the war (World War II). Since that time many mills have been closed down and dismantled and lumber production has gradually decreased and leveled off at about 350 million board-feet a year. In other words, unless section 5 is amended there will be placed on the auction block for immediate cash value a volume of timber nearly 4 times as great as the maximum cut ever achieved in any 1 year (and that to meet the abnormal demand of a wartime economy) and nearly 9 times the average cut of recent years.

One does not need to be an economist to foresee the result. The elementary law of supply and demand will dictate the price which the Klamath Indians will receive for their timber. In addition, every experienced businessman knows that when any property must be sold at forced sale for cash, at best it seldom brings the top price. Further adverse factors are: that saw logs are a commodity which cannot economically be transported any great distance to market but must be converted into lumber in the approximate area in which cut; that timber is a very expensive commodity to keep in its natural state a very great length of time due to taxes, interest on investment, cost of first protection, and risk of loss; and that the lumber market has for the past year been in a depressed state. When these factors are all considered it becomes apparent that barring some unforeseen turn of events, the Klamath Indians who elect to withdraw are going to be forced to sell their timber at a substantial discount and will not receive the fair return which they should expect to receive if it were marketed in an orderly manner.

However, a greater loss will be the loss to the Nation if the Klamath tribal forest is destroyed. Here is one of the great pine forests of the Nation. It is a great reservoir of timber upon which the Nation has been able to call in two World Wars and its existence has created a stability and permanence in the pine market. If properly managed, as it has been in the past, it will contribute to the Nation's economy forever. But if destroyed through clear cutting, it cannot be replaced in a hundred years of intensive tree planting and timber farming. In effect, it is gone forever. All that will remain will be pumice wastelands good for little but grazing.

What will the Nation have lost when this has occurred?

On December 31, 1954, after 42 years of intensive logging operations on the Klamath Reservation a total of 4,674,000,000 board-feet of logs had been removed under contract by private operators from 538,000 acres of tribal and allotted forest lands. This, when converted to lumber scale, would be sufficient to furnish lumber enough to house all the people of San Francisco, Seattle, and Portland. This represented the virgin growth. But despite the removal of this timber due to scientific sustained-yield practices employed there remains a stand of more than 2,900,000,000 board-feet of timber on these cutover lands. In addition to some 1,300,000,000 board-feet on uncut tribal lands, it is scientifically and conservatively estimated that if these sustained-yield practices are continued that the Klamath tribal forest can contribute an annual cut of approximately 76 million board-feet a year to the Nation's economy forever.

If the tribal forest is clean cut as would appear inevitable if the present law is allowed to remain in effect, how will the Nation replace this 76 million board-feet of timber per year which the tribal forests are capable of producing in perpetuity? The answer is that it cannot be replaced. It is gone and the United States, which since World War II has been transformed from a have to a have not nation in the matter of timber resources, will become increasingly dependent upon imports from foreign nations.

V

This statement has dealt primarily with the timber resources and their economic importance. However, we should like to add something we think highly important as supplemental to the principal resource—timber. There was submitted to Congress a statement by the Oregon Klamath River Commission under the title, "Forestry Implications of the Klamath Termination Law (Public Law 587 of the 83d Cong.) Its Threat to Water Resources in the Upper Klamath Basin." This excellent analysis said among other things, "As the greater part of the Klamath Indian Reservation is pumice soil, melting snows that percolate easity deep into the pumice, furnish the water to feed the springs, small streams and rivers. If this great timbered area were clear cut within a short period of time, it would certainly have a disastrous effect on the runoff of water." This statement goes on to say, "To clear cut some 3 billion feet from the Klamath Indian Reservation within a short space of time, could easily result in a disastrous shortage of water in years of subnormal precipitation. Such a procedure that files in the face of sound forestry practice and intelligent soil and water conservation, could well result in a very serious loss to the agricultural economy of the upper Klamath Basin which is fully as important as the timber industry. It would hurt our economy not only immediately but for many years to come.

VI

The conclusion reached by the Klamath County Chamber of Commerce has been slowly and painfully arrived at. We live in a county in which approximately 67 percent of the area is owned or controlled by the Federal Government and need no lectures on the perils of Goverment ownership and rule by bureau. We have lived with it, under it, and have fought it for years. We are firmly dedicated to free enterprise and our record will show that we have never hesitated to take a firm stand for free enterprise as against Government control whenever the issue has arisen on national, State, or local level and in cases which have been bitter issues in our own county. As businessmen we are not unmindful of the fact that if the tribal forests are put on the block our area will probably enjoy unprecedented prosperity for the next 10 years as this timber is liquidated and that once again we will relieve the golden days of the timber industry during which Lake Ewauna at Klamath Falls was lined with mills and stacks of drying lumber and the streets of Klamath Falls were filled with the loggers so aptly described by a local poet "Twas never said they worked for pay alone, Tho it was good and always freely spent." We have also had the advantage of seeing what private industry can do in the way of sustained yield in the magnificent sustained-yield operation of the Weyerhaeuser Timber Co. in this county and if there were any reasonable possibility that the Klamath forests would be operated in a similar manner by private interests, we would unhesitatingly endorse it even though it might eventually mean the elimination of small- and medium-size operators from this forest. But, this avenue has been explored and it appears improbable that this will be the outcome. While the forced sale of timber will depress the market, it is extremely unlikely that it will depress it to the point that any one or group of operators will be able to hold the timber purchased on a sustained-yield basis. The laws of economics appear inexorable and only one conclusion can be reached. Either the Federal Government must take over this timber and operate it on sustained yield or this forest must disappear from the face of the earth.

Faced with this choice, we unreservedly recommend to the Congress that it consider the purchase of the Klamath tribal properties so that it may continue the scientific sustained-yield management of the forests under an appropriate Government agency.

Mr. GANONG. Thank you. Briefly, the chamber of commerce unreservedly recommends that the Federal Government purchase the Klamath tribal properties so that it may continue the scientific sustained-yield management of the forest under appropriate Government agency. This position has not been easily or quickly reached. The great majority of our members are businessmen who sincerely are opposed to Government ownership or control except in those cases where no other alternative exists. In the present case, we have re-

luctantly reached the conclusion that there is no alternative to Government ownership. If the Government does not purchase the tribal forests, they will be destroyed.

Senator NEUBERGER. We thank you very much. Are there any questions of Mr. Ganong?

Mr. WOLF. I have one. I notice that very often when we have representatives of local chambers of commerce before congressional committees, they take a position which is diametrically opposed to the national chamber. You will get local chambers in favor of Federal acquisition in this case and the national chamber may take the opposite side. You may get local chambers in favor of something down in the TVA area, the national chamber is opposed. Now, how do you think the Congress ought to reconcile this constant situation where a local chamber comes in and says "We are in accord with national objectives everywhere but here?"

Mr. GANONG. I am afraid I can't give the Congress much advice on that point. That is one where they have to draw their own conclusions.

Mr. WOLF. Then how does national chamber policy come into being when we constantly have these local situations that call for a differentiation from the national policy?

Mr. GANONG. I believe the national policy is formulated through the board of directors of the national chamber, of which the individual chambers are members. In other words, I imagine they would be sort of compared with Congress. The Congress represents the Nation as a whole, where a legislator or a county court or a city council represents a local area.

Senator NEUBERGER. Mr. Ganong, I would like to ask you a question. How long have you lived here in this community?

Mr. GANONG. I have lived here all my life; 35 years.

Senator NEUBERGER. The whole purpose of my question was to find out if you were here when Public Law 587 was passed, and obviously you were. This is what puzzles me. This question has come up before pertaining to the Indian community. Now it comes up pertaining to the local non-Indian community.

I read your statement earlier today and I think it is a very fine statement. I won't say I agree with the way you crossed every "t" and dotted "i," but I think on the whole it is a very ably drawn and well written and comprehensive statement. But on page 4, for example, I want to read one paragraph and then tell you what really perplexes me about the background of the bill.

> The Congress substituted for section 5 of Senate bill 2745, the present section 5 of Public Law 587 which eliminated the period of further study and planning substituted a crash program, for the sale of tribal assets. This was done without the knowledge of the people of Klamath County. In fact, the Klamath County Chamber of Commerce was unaware that this amendment had been made until after the bill had been enacted and signed by the President. There was absolutely no advance warning ever given the people of this county that Congress intended to make this change and radically depart from the bill upon which hearing had been held in this county.

This is what perplexes me. Wasn't the local sentiment aware of what was in this bill that went to the very crux and core of the economic and social life of this county when it was passed by Congress and signed by the President of the United States?

Mr. GANONG. Not insofar as section 5 was concerned.

Senator NEUBERGER. That is the meat of the coconut in the operation of the termination.

Mr. GANONG. With which we are vitally concerned. The Senate bill 2745 was fairly well known. In other words, it had been discussed in our own chamber and the hearing had been held at Klamath Agency on it. But, of course, that was, I would say, a radically different bill than the law that became Public Law 587.

Senator NEUBERGER. Weren't you informed by the representatives of this State in the Congress about what was in this law when it went through the Congress and went to the White House?

Mr. GANONG. No. We were unaware that this change had been made in section 5.

Senator NEUBERGER. You were unaware that the entire operation of the termination program had been substantially changed?

Mr. GANONG. That is correct.

Senator NEUBERGER. Thank you very much. The next scheduled witness is Mr. John L. Stewart, of the Klamath Basin Water Users Protective Association.

STATEMENT OF DICK HEMSO, KLAMATH BASIN WATER USERS PROTECTIVE ASSOCIATION

Mr. DICK HEMSO. Senator, I am Dick Hemso, representing Mr. Stewart and the Klamath Basin Water Users Protective Association.

Senator NEUBERGER. Very happy to have you here. Does that mean, when you say water protective association, that you are representing the irrigationists? Is that predominantly the group you are representing?

Mr. HEMSO. That is correct, over 30 users and 20,000 acres, of irrigated lands.

Senator NEUBERGER. We are happy to have you here.

Mr. HEMSO. Our resolution is rather short so with your permission I will read it.

Whereas the Senate Interior Subcommittee on Indian Affairs is holding at Klamath Falls, Oreg., a hearing to obtain information on measures to be taken to preserve the forests and protect the interests of all concerned with the termination of the Klamath Indian Reservation, located in the State of Oregon; and

Whereas certain conditions which will be brought about by the proposed termination are of extreme interest to the Klamath Basin Water Users Protective Association and are of vital importance to the agricultural development of the upper Klamath Basin, said conditions being the effect of the termination as provided by Public Law 587, on the whole Klamath watershed and on the general runoff of water into the basin; and

Whereas the final agricultural development of the area, which will eventually consist of the irrigation and drainage of over 600,000 acres of land in the Klamath Basin, depends upon the conservation and use of water; and

Whereas Public Law 587 does not provide the proper and necessary rules and regulations for a modern system of forestry as would be carried out under a plan for sustained-yield harvesting; and

Whereas Senate bill No. 2047, introduced by Senators Neuberger and Morse, authorizing the Federal Government to purchase the reservation lands, is, in paragraph 30, contrary to the facts as pertains to tribal acreage: Now, therefore, be it

Resolved, That the Klamath Basin Water Users Protective Association recommends to the Senate Interior Subcommittee on Indian Affairs that Public Law 587 be amended, for the sale of timberlands on the Klamath Indian Reserva-

tion to the United States Forest Service, to the United States Bureau of Land Management, or to some other organization, public or private, under conditions that will guarantee a plan of forestry carried along under a sustained-yield basis; and be it further

Resolved, That, in proposing amendments to Public Law 587, the Subcommittee on Indian Affairs give careful consideration, in planning for use, that portion of the Klamath Indian Reservation known as the upper Klamath Marsh; and be it further

Resolved, That this association urgently recommends that the sponsors of S. 2047 amend paragraph 30 to be consistent with plan for the Klamath Marsh, as set forth at pages 45 and 46, chapter III, of the Bureau of Reclamation Upper Klamath River Report, dated June 1954: "This natural marsh, lying at an elevation of 4,500, is fed by the Williamson River, which rises in the Yamsay Mountains, and numerous streams which rise from the east slopes of the mountains forming Crater Lake. The Klamath Marsh area contains about 85,000 acres of arable lands, of which 15,000 acres now sustain natural marsh growth in an average year and another 13,000 acres irrigated by stream diversions. A basaltic reef at the south end of the marsh provides a natural controlled-outlet elevation for surface overflows.

"Under a planned land-use pattern, 15,000 arable acres would be reserved for permanent improved marsh and open water. The remaining arable lands would be cropped to sustain an increased livestock economy. This would increase the water use about 17,000 acre-feet annually.

"The report by the Bureau of Indian Affairs presented a plan to irrigate most of the arable lands of this area. This plan consists of (1) a dam and a reservoir of 25,000 acre-feet capacity on the upper Williamson River above the main body of arable lands in the Klamath Marsh; (2) an improved drainage system through the marsh; (3) distribution pumping plants and conduits to serve the irrigable area; and (4) dikes and control works to regulate the water surface on part of the marsh area. A potential ground-water basin in the area may, if fully developed, reduce or eliminate the requirement for surface storage."

Senator NEUBERGER. Thank you very much. We appreciate your coming here today.

I want to emphasize one paragraph of the chamber's testimony that I did not read, a very short paragraph. This is the statement of the Klamath Falls Chamber of Commerce:

> Unfortunately, the bill which was passed by Congress bore little resemblance, insofar as the disposition of the tribal assets was concerned, with Senate bill 2745, upon which hearing was held in Klamath County and which was studied and discussed by the chamber and by the people of this county.

I think that is a very significant point.

Our next witness will be Mr. Chester L. Langslet, of the Klamath Sportsmen's Association.

STATEMENT OF CHESTER L. LANGSLET, KLAMATH SPORTSMEN'S ASSOCIATION

Mr. LANGSLET. Senator Neuberger, members of this committee, we have a short resolution passed by the Klamath Sportsmen's Association, which states:

> Whereas Federal supervision of the Klamath Indian Reservation is about to be terminated; and
>
> Whereas acquisition by private ownership would limit access for hunting, fishing, and other recreational purposes; and
>
> Whereas denuding the area of timber would disastrously affect the streamflow necessary for fisheries; and
>
> Whereas the forest cover is mandatory for game, waterfowl, and wildlife habitat; and
>
> Whereas it is necessary that the timber be marketed under a sustained-yield program in order to afford maximum protection to fisheries and wildlife: Now, therefore, be it

Resolved, That the Klamath Sportsmen's Association, Inc., recommend the purchase of tribal lands by the Federal Government.

Respectfully,

KLAMATH SPORTSMEN'S ASSOCIATION, INC.

Senator NEUBERGER. Thank you very much. The resolution will appear in full. I just want to ask you one question, if I may. You heard Mr. Reid's very interesting presentation of the resolution signed by some 400 citizens. What is your feeling about this question of shooting of game birds in this area?

Mr. LANGSLET. Well, Senator, I think you are familiar with the program that we have outlined here for fish and wildlife, in which we are in hopes that they will acquire title to approximately 105 square miles of land in this area for public shooting and refuge purposes. Now, I have heard this figure of 70,000 and many other thousands of acres mentioned as marshland up there. I was up to the reservation, and talked to several people up there, and as near as I have been able to determine, there is actually only 15,000 acres of marsh. The rest is grazing land. And, as I understand it, there is only around 22,000 acres that are actually privately owned.

Now, I don't think that the people in this community would hold still for the acquisition of that additional private land to make it a 70,000-acre refuge, and take that additional land off the tax roll.

Senator NEUBERGER. Well, now, let me ask you this: Regardless of the size of the area, if it is made a refuge, what is the effect, so far as shooting is concerned?

Mr. LANGSLET. Well, apparently, they have had various amounts and various areas. We are asking in this additional land that they acquire that the maximum percentage allowable by law be open for public shooting. Heretofore, I understand, the way the law has read, anything that they purchased could not be opened to public shooting until it was fully developed.

Senator NEUBERGER. Well, let me ask you this; this is the question I am trying to get at: Regardless of acreage, acres involved—and that easily can be determined—is the status as a waterfowl refuge compatible with public shooting? And I am trying to find out, let's say, the practice on the Malheur and so on, and I am just asking for information.

Mr. LANGSLET. Well, I don't know what the practice is on the Malheur. On the upper lake here, they haven't opened an acre on the refuge on the land that they purchased. On the land that they are squatting on, which is in the Bureau of Reclamation's hands, they reluctantly opened part of that.

Senator NEUBERGER. There are no waterfowl refuges under the Bureau of Reclamation, are there? Aren't waterfowl refuges under the Fish and Wildlife Service? Those are the Federal ones.

Mr. LANGSLET. The Bureau of Reclamation, I believe, has title to the land. The Fish and Wildlife is just squatting on them, by interagency agreement.

Senator NEUBERGER. I am not talking about that. I am talking about where you have bona fide waterfowl refuges under the United States Fish and Wildlife Service. Is public shooting allowed in those areas?

Mr. LANGSLET. If they so see fit, as I understand it, the law right now reads that, after it is fully developed, they can open up 25 percent.

Until such time as it is fully developed, they can't open up any of that refuge area that they have purchased with funds.

Senator NEUBERGER. But, after they have purchased them with duck-stamp funds, they can open up a portion of the area to shooting; that is what I am trying to say.

Mr. LANGSLET. After they have fully developed it, and that is why we made no particular reference in this area up there on the marsh. We would just as soon, as sportsmen, if they acquire this other 105 square miles of refuge area, would just as soon see that in Forest Service hands. Then the birds would still have their nesting and we would still have some public shooting. After all, it is a moral obligation of the Fish and Wildlife, who are using our money, to provide us with some public shooting grounds instead of all refuges.

Senator NEUBERGER. You might have quite a discussion with the Audubon Society on that, Mr. Langslet. I am glad you and Mr. Reid have raised this question, and I want Mr. Sigler to get for us from the Department, if he will, a complete documentation on the regulations and rules and laws governing these refuges of the Fish and Wildlife Service. It has not been my understanding, and I might be a hundred percent wrong, that, where these refuges were developed for waterfowl nesting and breeding and propagation, they allowed shooting in those immediate areas.

Mr. LANGSLET. Yes; they can open up 25 percent of them, that I am positive of, after they are completely developed.

Senator NEUBERGER. I think what we had better do is get a ruling from the Department on it. Thank you very much, Mr. Langslet. I am glad you and Mr. Reid have raised this question, because I think it is very important.

Mr. Gamble has called to my attention the explanation of the marshland which is contained in the report of the Management Specialists. It is comparatively brief, and it might be useful just to have it included in the record at this point for purposes of information, and I will ask if Mr. Watters will provide us with that part of the report so that it may appear in the record at this particular point.

(The excerpt is as follows:)

MARSH

Another reservation resource of considerable value is the marshland. The Klamath Marsh itself contains over 21,000 acres of tribally owned lands. Approximately 6,000 acres of this are classed as dry marsh, on which it is possible to graze large numbers of livestock during most grazing seasons. The balance of this area is classed as wet marsh and is too wet for grazing, except during the dryest of years.

In addition to the area contained in the large Klamath Marsh, there are small scattered parcels of tribally owned marshland which bring the total area of marsh to 23,286 acres.

Although much of the total area of marsh is suited to grazing, there are large areas that would need to be developed by ditching and draining in order to provide grazing throughout every grazing season.

Another use value for the wet marsh areas is as a nesting area for waterfowl and as a stopover point for waterfowl during their annual migrations. During the early autumn months the Klamath Marsh provides a resting place for literally millions of ducks, geese, and other migratory birds.

The appraised value of the undeveloped marsh areas range from approximately $25 per acre up to $50 or $60 per acre. The value of part of this area can be increased to as much as $200 per acre with a relatively small investment in the construction of dikes and drainage ditches.

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Senator NEUBERGER. Mr. Wolf has suggested that perhaps Mr. Wilcox could show us on the map just where is located the marsh and the timber and some of these other resources, and I wonder if he could do so.

STATEMENT OF EARLE WILCOX, FORESTER, MANAGEMENT SPECIALISTS

Mr. WILCOX. My name is Earle Wilcox. I will start with the map on our left, which is a map of the Klamath Reservation showing in white the tribally owned lands, the lands that are covered by section 5 of Public Law 587. The red lands—they may appear pink—but they consist of both individually owned allotments and fee patented lands. They are nontribal and they are not covered by the provisions of section 5 of Public Law 587. Over here is what might be termed a land classification map, somewhat smaller scale. This shows the land classifications as of 1954, the year that the law was passed. In this in dark green is shown the cutover timberland, the saw timber that has been cut over. There were some 580,000 acres as of that date. Correction: there were some 540,000 acres as of that date. In brown, scattered throughout the saw timber stands, are the lodgepole pine stands on the reservation. That lodgepole pine is now considered commercially valuable for pulpwood. Since the development of the Johns-Mansville plant on the reservation, it makes that commercially usable. The red areas are the virgin timber or uncut saw timber stands as of 1954. There have been approximately 20,000 acres cut since that time.

We have some overlays. The white areas are open or marsh. Now, the Klamath Marsh which you have been discussing lies in this area here and a portion up in here. It is divided roughly into two types of marsh: the wet type marsh that remains wet throughout most years—some years it will dry up—and the so-called dry marsh which normally will dry off during the latter part of the season, and you have excellent grazing during that period.

This blue area in here normally is wet throughout the year. There is some 16,000 acres owned by the tribe. I believe it is around 15,000 acres owned by the tribe of wet marsh up in here. In here is an area of what is classed as dry marsh in which we have excellent grazing during the latter part of the season. This area to the right is privately owned. It is an area of approximately 85,000 acres, I believe, that is owned at the present time by the Weyerhaeuser Timber Co. It is predominently forest area.

Then we have some overlays. I doubt if you can pick out the details too much, but this shows your marshland. The white on the overlay is your saw-timber species. In this green shows your range types. This white consists of the timbered grazing. This is marsh grazing and the speckled insignia consists of your open-type grazing.

Senator NEUBERGER. Mr. Wilcox, let me ask you one question. Supposing we are unable to pass legislation for Federal purchase. What would happen to the marsh?

Mr. WILCOX. Under the plan of management developed for the remaining members, there are some 7,000 acres which would be re-

served for management for the remaining members. The balance of it would be sold.

Senator NEUBERGER. And then what would happen to it if it were sold? Would it be used for private hunting lodges and preserves? Would any of it be drained for agricultural purposes? What would happen to it, in your opinion as a professional forester?

Mr. WILCOX. I have actually arrived at no opinion as to how that would go. Actually, we would be required to sell it for the highest price obtainable. If the Fish and Wildlife Service were able to meet the high bid, it might possibly be sold to them.

Senator NEUBERGER. I am presupposing in my question that we would fail to secure the funds and authorization for Federal purchase, and part of the bill, as you know, which we are discussing is for the Forest Service to take over the timberlands and the Fish and Wildlife Service to take over the marsh. If our bill fails, I am just interested to have on the record from you as the trained forester employed by the Management Specialists, what you think would be the fate of the marsh. In other words, there are now thousands of birds that travel the flyway, migrating between Canada, the Canadian Arctic, and the tropics, which nest on that marsh. What would happen to the marsh if the Federal acquisition failed? Its fate, physical fate, is what I am trying to get from you.

Mr. WILCOX. There is a strong possibility that portions of the marsh at least would be drained and that it would be used for grazing. It would be sold to private owners.

Senator NEUBERGER. Because in that way it would have the maximum commercial value to add to the price which would be received by the Indians?

Mr. WILCOX. That is right.

Senator NEUBERGER. And then, in other words, its value to the birds traveling the flyway would be completely gone and their fate certainly, to some degree at least, would be jeopardized. Do you think that is right or wrong to make that conclusion?

Mr. WILCOX. That is my own opinion; yes, sir.

Mr. WOLF. Senator Neuberger, you might notice that if you look at this red area which is the patent fee and the trust allotted portion, that it covers all the marsh practically to this blue area, to the wet area, so you already have quite a bit of these open areas already in trust allotted or patented fee status.

Senator NEUBERGER. Thank you, Mr. Wilcox, very much. Do you have any more maps?

Mr. WILCOX. This overlay shows the relationship of farmlands, irrigated lands, irrigable lands, and so forth. The white, of course, is your open range and your timber types. The blue diagonal lines are areas which are already irrigated. The red diagonal lines such as here are classed as irrigable. That includes the wet marsh. The lines that are diagonal from the northwest to southeast are dry farmlands, and the crosshatch are dry farm and irrigable. That is, they are presently dry farmlands but they are irrigable.

Senator NEUBERGER. Thank you very much for your very useful and valuable presentation. The next witness is Mr. O. K. Puckett, of Puckett & Scherer, Klamath Falls lumber manufacturers. Mr. Puckett, we are happy to have you with us.

STATEMENT OF O. K. PUCKETT, REPRESENTING PUCKETT & SCHERER

Mr. PUCKETT. I would like to submit to you some ideas we have on the Klamath Indian termination program. It is certainly not our desire to tell the Klamath Indians how their property should be liquidated. Personally, we would like to see the Indians maintain their land and property, if at all possible, or at least those desiring to take their equity in property and timberland. We see no reason to throw any more additional expense on the Klamath Indian Tribe than is absolutely necessary.

We would be very happy to see the State or counties buy from the Indians what property they do not wish to hold, in order to pay a portion of the Indians off in cash, providing it could be handled under the Bureau of Land Management. We feel the Bureau of Land Management has an excellent plan and is bound by the O. and C. Act of 1937 to sell or offer for sale the allowable cut for each district on a sustained-yield basis. We would not object to the Federal Government buying part or all of the Klamath Indian Reservation if it could be handled on a sustained-yield basis by the Bureau of Land Management, since both the Klamath Indian Reservation and the Bureau of Land Management are under the Department of the Interior.

We are not in favor of a Federal purchase leaving the Klamath Indian Reservation in the hands of the United States national forest. We feel that the working circles are handled completely within their own organization and not governed by law, and the amount of timber put up is somewhat determined by their manpower. We feel that the foresters in the woods are so bound by regulations that they are handicapped to make decisions that should be made in the field. We feel that the road program, payment program, and scaling rules make it very hard for a small operator to operate on national-forest land. We prefer to buy on a cruise basis, and feel this is very fair and a great saving in manpower.

Considering the economy of our local community, our mills are forced to buy timber in California or wherever they can go, or are compelled to shut down. There are so few Forest Service sales; and, when sold at auction, companies are forced to pay far above reasonable market prices. We feel the Forest Service in the Rogue River and Umpqua National Forests have hardly scratched the surface on an immense quantity of timber that is overripe and should be harvested to allow the new growth to take over.

We appreciate this opportunity to express our ideas on this subject, as we are deeply interested in the land and timber on the Klamath Indian Reservation.

Senator NEUBERGER. Thank you, Mr. Puckett. Mr. Wolf has some questions and then I have some questions. I think I may say to you that you realize that your advocacy is somewhat at variance with the terms of my bill; so our interest is somewhat aroused or stirred, you might say, because, as you know, S. 2047 recommends that the timber purchased by the Federal Government from the Indians be administered by the United States Forest Service. You favor the Bureau of Land Management very obviously, from your statement. Do you want to ask some questions, Mr. Wolf?

Mr. Wolf. Yes; I had a couple of questions I wanted to ask. I wonder how much timber do you buy from the Bureau of Land Management annually?

Mr. Puckett. Oh, in board-feet I hardly know, but somewhere between a half million, million a year. That is for the last couple years.

Mr. Wolf. Roughly, what percentage of what you buy is Bureau of Land Management?

Mr. Puckett. Oh, probably two-thirds.

Mr. Wolf. Two-thirds. Do you buy any from the Forest Service?

Mr. Puckett. We have a contract at present.

Senator Neuberger. Is that on the Fremont or the Rogue River?

Mr. Puckett. Rogue River and the Umpqua.

Mr. Wolf. It is your feeling, though, that the Forest Service and the Bureau of Land Management both sell their timber differently?

Mr. Puckett. Oh, they do, definitely.

Mr. Wolf. The Forest Service fails to put up the allowable cut and the Bureau of Land Management does put up the allowable cut. Was that your point?

Mr. Puckett. The Bureau of Land Management has an allowable cut and an allowable cut under the O. and C. Act of 1937 that they are forced by law to put up each and every year to the public. The Forest Service can sell as much as they want to or cut it as short as they want to any year they desire.

Mr. Wolf. I think, Mr. Puckett, that the O. and C. Act only requires that up to 500 million feet be cut for a certain period and then they could raise the allowable cut and they couldn't exceed their allowable cut, but they are not forced to put it on the market.

Mr. Puckett. That is right; they can't exceed their allowable cut.

Mr. Wolf. But they are not forced to put it on the market.

Mr. Puckett. By law of 1937 they have to offer as near as possible the allowable cut for sale.

Mr. Wolf. Well, I don't think we ought to debate it, but I do think you ought to check it because I am not at all sure that is right.

Mr. Puckett. I did just this morning.

Senator Neuberger. I would just say that the Chair will order that at this point we will have provided the effective portions of both the Forest Service regulations and the law and Bureau of Land Management governing timber cuts and inventories and allowable cuts, and we will have those included in the record at this point when the hearings are produced.

(The following information was subsequently submitted:)

United States Department of Agriculture,
Forest Service,
Washington, D. C., October 31, 1957.

Hon. Richard L. Neuberger,
United States Senate.

Dear Senator Neuberger: Mr. Wolf of your subcommittee staff has called our attention to your desire for a copy of the laws and regulations in respect to timber cutting and sustained-yield management for insertion in the hearing record on the Klamath Falls Indian Reservation. Enclosed is a copy of section 476 of title 16 of the United States Code. This is based on the act of June 24, 1897, which is the basic legislation under which the timber management activities of the Forest Service are conducted. Also enclosed is a copy of the portion of Regulation S–3 (36 C. F. R. 221.3) which covers the subject of preparation of sustained-yield management plans.

The policy of the Forest Service is to build the cut up to the full allowable cut under sustained-yield management principles in each national forest working circle. The management plan for each working circle is the systematic program for making progress toward this objective. The total allowable cut for the national forests is the sum of the allowable cuts for the four-hundred-and-fifty-odd working circles in the national forest system.

Allowable cut and actual cut and cutting objectives for the last 5 fiscal years was as follows:

[Millions of board feet]

	Cutting objective	Actual cut	Allowable cut
Fiscal year:			
1957	7,750	6,974	9,892
1956	6,750	6,907	9,013
1955	5,700	6,328	8,554
1954	5,200	5,365	7,809
1953	5,000	5,160	7,809

Total allowable cut has been increasing since the reinventory program got underway in 1955. Adverse marketing conditions for the forest products industries slowed down the rate of cutting by national forest timber purchasers in 1957. This in turn has temporarily reduced the rate of overall progress toward attaining allowable cut.

Many other factors in addition to marketing trends affect the possible rate of progress toward attainment of allowable cutting rates in individual working circles. In Alaska and certain Rocky Mountain areas plants to utilize the national forest allowable cut do not yet exist. Timber access roads are still needed in some working circles. Right-of-way problems, conflicts with other uses, particularly water storage projects also interfere with sale programs.

All of these and other current practical local problems are taken into account in determining a cutting objective for each fiscal year. This cutting objective is basic to the budget estimates considered by the Bureau of the Budget and the congressional Appropriation Committees. During the last 5 fiscal years annual cutting objectives have been exceeded each year until fiscal year 1957.

We trust this statement and attachments will meet your needs. If any further information is desired, please let us know.

Sincerely yours,

RICHARD E. MCARDLE, *Chief.*
By EDWARD C. CRAFTS

SALE OF TIMBER

(Act of June 4, 1897 (30 Stat. 35); March 3, 1925 (43 Stat. 1132; 16 U. S. C. 476))

For the purpose of preserving the living and growing timber and promoting the younger growth on national forests, the Secretary of Agriculture, under such rules and regulations as he shall prescribe, may cause to be designated and appraised so much of the dead, matured, or large growth of trees found upon such national forests as may be compatible with the utilization of the forests thereon, and may sell the same for not less than the appraised value in such quantities to each purchaser as he shall prescribe. Before such sale shall take place, notice thereof shall be given by the said Secretary of Agriculture for not less than thirty days, by publication in one or more newspapers of general circulation, as he may deem necessary, in the State or Territory where such national forest exists. In cases of unusual emergency the Secretary of Agriculture may, in the exercise of his discretion, permit the purchase of timber and cord wood in advance of advertisement of sale at rates of value approved by him and subject to payment of the full amount of the highest bid resulting from the usual advertisement of sale. He may, in his discretion, sell without advertisement, in quantities to suit applicants, at a fair appraisement, timber, cord wood, and other forest products, not exceeding in value five hundred dollars. In cases in which advertisement is had and no satisfactory bid is received, or in cases in

which the bidder fails to complete the purchase, the timber may be sold, without further advertisement, at private sale, in the discretion of the Secretary of Agriculture, at not less than the appraised valuation, in quantities to suit purchasers. Such timber, before being sold, shall be marked and designated, and shall be cut and removed under the supervision of some person appointed for that purpose by the Secretary of Agriculture, not interested in the purchase or removal of such timber nor in the employment of the purchaser thereof. Such supervisor shall make report in writing to the Secretary of Agriculture of his doings in the premises. (See sec. 3, p. 61 of Act of June 9, 1930, 46 Stat. 527; 16 U. S. C. 576b, relative to requiring deposits for planting, sowing, or timber stand improvement work.)

FOREST SERVICE REGULATION

103.1 Reg. S–3. Disposal of National Forest Timber According to Management Plans. (a) Management plans for National Forest timber resources shall be prepared and revised, as needed, for working circles or other practicable units of National Forest. Such plans shall:

(1) Be designed to aid in providing a continuous supply of National Forest timber for the use and necessities of the citizens of the United States.

(2) Provide, so far as feasible, for the stabilization of communities and of opportunities for employment.

(3) Be based on the principle of sustained yield, with due consideration to the conditions of the area and the timber stands covered by the plan.

(4) Be approved by the Chief, Forest Service, unless authority for such approval shall be delegated to subordinates by the Chief.

(5) Establish the maximum amount of timber which may be cut from the National Forest lands within the unit, by years or other periods.

DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D. C., October 30, 1957.

Mr. ROBERT WOLF,
Forestry Consultant, Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR MR. WOLF: In response to your recent telephone request on behalf of Senator Neuberger, we are supplying copies of the following laws and regulations applying to timber sales administered by the Bureau of Land Management.

1. The Oregon and California Act of August 28, 1937 (50 Stat. 374).
2. Oregon and California timber sale regulations.
3. The Materials Act of July 31, 1947 (61 Stat. 681).
4. The regulations governing sales of timber and other materials (Circular 1921).

The version of the Oregon and California timber sale regulations which is supplied was published as a proposed rulemaking in the Federal Register on July 19, 1957. Following the publication, a number of communications were received in which minor changes were suggested. These suggestions have been considered and, insofar as possible, will be reflected in the final version soon to be published in the Federal Register. When the final version becomes available, a copy of it will be forwarded to you for use as a replacement of the one furnished at this time.

Sincerely yours,

EDWARD WOOZLEY, *Director.*

TITLE 43—PUBLIC LANDS: INTERIOR

CHAPTER I—BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

(Circular 1921)

PART 259—DISPOSAL OF MATERIALS

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FREE USE

259.21 Free-use privilege; limitations.
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GENERAL

259.26 Trespass; penalty for unauthorized removal of material.
259.27 Appeals.

AUTHORITY: §§ 259.1 to 259.27 issued under sec. 1, 61 Stat. 681; 43 U. S. C. 1185.
SOURCE: §§ 259.1 to 259.27 appear at 19 F. R. 9133, Dec. 23, 1954, except as otherwise noted.

§ 259.1 *Statutory authority.* (a) The act of July 31, 1947 (61 Stat. 681; 43 U. S. C. 1185) authorizes the disposal of materials, including but not limited to sand, stone, gravel, yucca, manzanita, mesquite, cactus, common clay, and timber or other forest products, on public lands of the United States, if the disposal is not otherwise expressly authorized by laws of the United States, including the United States mining laws, and is not expressly prohibited by laws of the United States, nor detrimental to the public interests. The act of August 31, 1950 (64 Stat. 572; 43 U. S. C. sup. 1188), added to the act of July 31, 1947, a section 4 authorizing the disposal of sand, stone, gravel, and vegetative materials located below high-water mark of navigable waters of the Territory of Alaska. The act of April 15, 1954 (68 Stat. 53), provides that, for the purpose of aiding in the development of building materials essential to the growth of Alaska, the Secretary of the Interior is authorized, in his discretion, for a period of fifteen years from the date of approval of that act and pursuant to the provisions of the act of July 31, 1947 (61 Stat. 681), as amended, to permit the removal of deposits of siliceous volcanic ash, commonly known as pumicite, from such areas as he may designate along the shores of Shelikof Strait in Katmai National Monument, Alaska.[1]

(b) The provisions of this act do not apply to lands in any national forest, national park, or national monument, except as stated in paragraph (a) of this section, or to any Indian lands, or lands set aside or held for the use or benefit of Indians, including lands over which jurisdiction has been transferred to the Department of the Interior by Executive Order for the use of Indians.

[Paragraphs (a) and (b) amended by Circ. 1893, 19 F. R. 9195, Dec. 24, 1954.]

(c) Except as to the land specified in paragraph (b) of this section, the disposal may be made of materials on lands withdrawn in aid of a function of a Federal department or agency other than the Department of the Interior, or a State, territory, county, municipality, water district, or other local Government subdivision or agency, with the consent of said Federal department or agency, or of such State, Territory, or local governmental unit.

§ 259.2 *Definitions.* (a) "Authorized officer" means the Government official who has been duly authorized to sign the contract for the disposal of materials or to issue a permit under the act and to take action under such contract or permit.

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[1] Pursuant to the act of April 15, 1954, *supra*, and for a period of 15 years from the date thereof, unless sooner revoked, the following described area is designated for the removal of the deposits named in the act:

Those lands within ¼ mile of mean high tide in Geographic Harbor at latitude 58° 08′ N., longitude 154° 36′ W., the harbor lying within Amalik Bay on Shelikof Strait, Katmai National Monument, Alaska.

Appropriate conditions for the protection of the monument will be included in the contracts.

(b) "Officer in charge" means such officer as may be designated by the signing officer or other authorized Government official to supervise operations under such contract or permit.

(c) "The act" means the act of July 31, 1947 (61 Stat. 681; 43 U. S. C. 1185–1188, as amended).

§ 259.3 *Disposals which must be made under other statutes; rights under other statutes.* (a) The disposal of materials will be made under other acts where there is any such statutory authority. Dead or down timber, or timber which has been seriously or permanently damaged by forest fires, shall not be disposed of under the act but rather under the act of March 4, 1913 (37 Stat. 1015; 16 U. S. C. 614, 615), as amended, and the regulations thereunder (Part 284 of this chapter). However, where such dead, down, or damaged timber is intermingled with timber which is live, standing, and of merchantable size and character, and it is not feasible to sell the two classes of timber separately, consideration will be given to the disposal of both classes in a single transaction under the act and the regulations in this part.

(b) The disposal of timber in Alaska, where statutory authority under other acts exists, will be made under such statutes and the applicable regulations (Part 79 of this chapter). Salse of more than a two years' supply of timber for domestic use in Alaska may be authorized under the act. Timber on the revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands will be disposed of under the applicable act and regulations (Part 115 of this chapter).

(c) The limitations on free-use privileges under the act because of the existence of other statutory authority for the free use of timber are set out in § 259.21.

(d) Sand, stone, and gravel of such quality and quantity as to be subject to the mining laws, will not be disposed of under the act.

(e) Where there are valid, existing claims to the land by reason of settlement, entry, or similar rights obtained under the public land laws, no disposal of the materials on the land may be made under the act. If the disposal of materials is consistent with such interest in the land, as in the case of lawful grazing or mining use, the materials may be disposed of under the act under such conditions as the authorized officer, in his discretion, may specify.

(f) The purchaser of materials shall have a prior right to the materials in accordance with the terms and provisions of the contract of purchase as against any subsequent claimant or entryman of the land affected.

(g) The proceeds derived from such sales shall be deposited in the Treasury of the United States and shall be disposed of in the same manner as moneys received from the sale of public lands, except that moneys received from the disposal of materials from school section lands in Alaska, reserved under the act of March 4, 1915 (38 Stat. 1214; 48 U. S. C. 353), as amended, shall be deposited in the United States Treasury for payment annually to the Territory of Alaska, pursuant to the act of August 31, 1950 (64 Stat. 571; 43 U. S. C. 1187).

SALES

§ 259.4 *Sale and appraisal.* (a) All materials to be sold under the provisions of the act shall be appraised and in no case shall they be sold at less than the appraised price. They shall be sold to a responsible qualified purchaser under the appropriate form of contract and upon such additional terms as the signing officer considers advisable.

(b) Where the appraised value of the materials is $1,000 or less, it may be sold to a responsible qualified applicant or to the highest qualified bidder at public auction or under sealed bids. Sale without competitive bidding may be made in the discretion of the authorized officer where he determines it is unlikely a competitive interest exists. Not more than $1,000 worth of materials may be sold noncompetitively to any one applicant in any period of twelve consecutive months. However, this limitation shall not be applicable to sales of $1,000 or less of salvage timber or of small isolated tracts of mature or overmature timber when, in the judgment of the authorized officer, such sale is in the public interest.

(c) If the appraised value exceeds $1,000, however, a sale may be authorized only to the highest responsible qualified bidder at public auction or under sealed bids.

(d) Offerings of material for sale may be made without the receipt of applications, when such action is in the public interest.

(e) Whenever in his judgment it is in the public interest to do so, the authorized officer may authorize the sale of all of one type or kind of nonvegetative

material on or in specific tracts of land where the quantity of such material cannot be determined prior to extraction or removal thereof. The contract of sale shall set forth the price per unit payable to the United States, the minimum annual payment and such other terms as the authorized officer shall consider advisable. All such sales shall be made competitively to the highest qualified bidder at public auction or under sealed bids, after publication and posting of notice as provided in § 259.7.

§ 259.5 *Who may apply.* An applicant may be (a) an individual, (b) a partnership, (c) an unincorporated association, or (d) a corporation organized under the laws of the United States or a State or Territory thereof and authorized to transact business in the State or Territory in which the lands are situated.

§ 259.6 *Application; contents.* (a) An application to purchase hereunder may be filed in any office of the Bureau of Land Management. The application should be made on Form 4–059 and contain the following data :

(1) The full name and address of the applicant.

(2) If for a noncompetitive sale, the contract numbers of all noncompetitive contracts entered into by the applicant with the Government under this act during the twelve-month period preceding the filing of the application.

(3) A description of the lands, if surveyed, according to legal subdivision; if the lands are unsurveyed, they must be sufficiently described to permit their identification and the approximate acreage of the lands described.

(4) A detailed statement as to the nature and estimated quantity of each species or kind of material desired, the purpose for which it is desired, its estimated unit and total value, and when the taking could be commenced and completed.

§ 259.7 *Publication and posting.* (a) In any proposed sale for more than $1,000 notice must be published prior to the date of sale at the expense of the Government in a newspaper published in the county in which the materials are located. If the materials are in two or more counties, notice may be published in any one of the counties. If no newspaper is published in such county, then publication shall be made in a newspaper of general circulation in the county. The notice must be published on the same day weekly for four consecutive weeks.

(b) In any proposed non-competitive sale for $1,000 or less, the authorized officer may require notice of sale to be posted in such place and for such period as he may prescribe. The authorized officer may require additional notice, including publication in a newspaper at least once but not more than four times. Where the authorized officer determines that a competitive sale of such material shall be ordered, publication shall be made in a newspaper at least once but not more than four times.

§ 259.8 *Deposits with bids.* A minimum deposit of at least ten percent of the appraised value of the materials to be sold must accompany each bid. However, the authorized officer, in his discretion, may require a deposit in excess of the ten-percent minimum. Each deposit must be made by money order, cashier's check, or certified check, drawn payable to the Bureau of Land Management except that a bid may be accompanied by a corporate surety bid bond (Form 4–061) in the amount of the required deposit, conditioned upon execution by the bidder, if the contract is awarded to him, of the required contract with the Government within 30 days after the copies of the contract are transmitted to him for execution in accordance with § 259.10 (a). Deposits with bids are required as a guarantee of good faith, and when payment in full is not made in advance, the deposit of the sucessful bidder will be retained until the contract is completed. The deposit will then be returned, provided the purchaser has faithfully performed the terms of the contract. If a bond is furnished and accepted, the deposit will then be credited toward the initial payment under the contract. Deposits made with bids will be returned to the unsuccessful bidders after award of the contract.

§ 259.9 *Action on bids; qualifications of bidders.* (a) If no bid is received within the time specified in the notice of sale for the receipt of bids, the authorized officer, in his discretion, if he determines that no significant rise has occurred in the market price of the materials over the appraised price, may keep open the period for the receipt of bids for all or any part of an additional 90-day period and may sell the materials without readvertising in the following manner :

(1) If, during the extended period for the receipt of bids, a written or oral offer is made for the materials at not less than the advertised minimum appraised price, such offer shall be posted in the office of the authorized officer for a period of not less than five days from receipt thereof. If no other offers are re-

ceived during the five-day posting period, the contract may be awarded to the sole bidder, if qualified.

(2) If, however, during such posting period, other offers are received, then all bidders at the end of the original posting period of five days shall be required to participate in oral competitive bidding at a time and place to be designated by the authorized officer, and the contract will be awarded to the highest qualified bidder.

(b) In any sale of materials, if not paid for in full in advance, the authorized officer may, in his discretion, and before award of the contract, require a financial statement or other information concerning the ability of the applicant or bidder to perform the contract, as well as data covering plant, equipment, etc.

(c) Based upon evidence of the highest bidder's ability to fulfill the terms of the contract, the authorized officer, in his discretion, may require payments larger than the minimum installments specified in § 259.12 and in the notice of sale, or he may reject the highest bid and award the contract to the next highest qualified bidder. Nothing herein shall be construed as limiting the right to reject any or all bids in the interest of the Government.

(d) In addition to the foregoing, if the successful bidder is (1) a partnership or an association it may be required to file a certified copy of whatever written articles of partnership or association its members may have executed; (2) a corporation, it may be required to file a certified copy of its articles of incorporation. If not organized under the laws of the State or Territory embracing the lands affected, such corporation shall file a certificate by the proper officer of the State or Territory in which the lands are situated showing the corporation's authority to do business in such State or Territory.

§ 259.10 *Contracts.* (a) The Bureau of Land Management shall prepare contracts on Form 4–054 for sales of over $1,000 and on Form 4–058 for sales of $1,000 or less. Contracts for the disposal of all of a single type or kind of nonvegetative material, as authorized by § 259.4 (e) shall be prepared on Form 4–1164 and shall be signed on behalf of the United States by the authorized officer.

(b) If the successful bidder fails to sign and return the contract and furnish a satisfactory bond within 30 days, or if he otherwise fails to comply with the applicable regulations, that part of his deposit representing the minimum deposit required by the notice of sale, shall be retained as liquidated damages and disposed of as other receipts under the act. In such case the contract may be awarded to the next highest qualified bidder without readvertisement.

§ 259.11 *Bond.* In all sales in which payment in full is not made in advance, a bond of not less than 15 percent of the contract price of materials sold in the public-land States, or 25 percent of the contract price of materials sold in Alaska, must be furnished by the purchaser. In any sale the authorized officer, in his discretion, may require a bond in excess of that amount. Bonds hereunder shall be executed on Form 4–057. The bond must be that of a corporate surety shown on an approved list issued by the Treasury Department, or a cash bond. United States bonds, or cash, may be furnished in lieu of a surety bond, if accompanied by a proper personal bond and power of attorney authorizing the Secretary, in case of default, to collect, sell, assign, or transfer the said bonds without notice, at public or private sale, free from any equity or redemption, and without appraisement or valuation.

§ 259.12 *Payment.* (a) No part of the material sold under the contract may be severed, extracted, or removed unless advance payment has been made as hereinafter provided.

(b) In all sales in which the determination of the total amount due can be made only after severance or extraction has been completed, the total advance payments required to be made must be sufficient to cover the estimated quantity of the materials sold under the contract. Each such payment shall be held in suspense until the quantity of materials covered thereby has been determined. If thereafter it be determined that the last advance payment under the contract is in excess of the value of the materials, such excess shall be returned to the purchaser.

(c) In any sale of $1,000 or less the authorized officer, in his discretion, may require payment in full at the time of execution of the contract or may permit payment in advance of severance or extraction to be made in not to exceed five approximately equal installments.

(d) In sales of more than $1,000 and not in excess of $100,000, the authorized officer may require full payment in advance, or may permit payment in advance of severance or extraction in not to exceed ten approximately equal installments.

(e) In any sale of over $100,000, the methods and conditions of payment shall be determined at the time such sale is authorized provided that the amount of the installments so fixed shall be not less than $10,000 each.

(f) In any sale of materials in the public-land States for which payment in installments is permitted, the purchaser shall make an initial payment equivalent to two installments as follows: One installment prior to the approval of the contract and the second installment within six months thereafter, or prior to the commencement of operations thereunder, whichever is earlier. The first installment shall be retained by the Government as additional security for the full and faithful performance of the contract, and shall be applied in whole or in part toward the final installment thereunder. On the basis of his initial payment, the purchaser may sever or extract materials under the contract of a value not to exceed one-half of such initial payment. The remaining installments shall become due and payable without prior notice whenever the value of the materials severed or extracted under the contract shall equal the sum of the payments made by the purchaser (exclusive of one-half of the initial payments, as provided in this paragraph).

(g) In any sale of materials in Alaska for which payment in installments is permitted, the purchaser shall make payment of one installment prior to the approval of the contract. The purchaser may sever or extract materials under the contract of a value not to exceed such payment. The remaining installments shall become due and payable without prior notice whenever the value of the materials severed or extracted under the contract shall equal the sum of the payments made by the purchaser.

(h) All payments hereunder shall be made by money order, cashier's check or certified check drawn payable to the Bureau of Land Management.

§ 259.13 *Passage of title; risk of loss.* The title to the material covered by the contract will pass to the purchaser only upon payment for, and severance or extraction of, the material. The purchaser shall assume complete risk of loss for all materials, the title to which has passed. If material covered by the contract, title to which has not passed, is damaged or destroyed by fire or otherwise, the purchaser shall be liable for all loss suffered if the purchaser, his contractors or subcontractors, or the employees of any of them, are directly or indirectly responsible for the damage. If such material is damaged or destroyed without fault on their part, the purchaser shall be liable for the loss sustained to the extent that it is caused by his failure to sever, extract or remove the damaged material as expeditiously as possible under the existing circumstances and the terms of the contract.

§ 259.14 *Reappraisals.* (a) No reappraisals of materials sold under the contract will be made during the life of the contract if the term of the contract is for two years or less. If the term is for more than two years, prior to the commencement of the third and each subsequent year, the material sold under the contract, but not yet severed or extracted, shall be reappraised by the Government in accordance with standard appraisal techniques. Upon reappraisal, the contract unit price of any material severed or extracted during the new contract year shall be the same percentage of the new appraised price as the original contract price was of the original appraised price.

(b) Notice of the adjusted prices to be fixed under the contract shall be sent registered mail by the authorized officer to the purchaser at least thirty days before the beginning of the contract year. Not later than thirty days after the receipt of notice, the purchaser may submit his objections, if any, in writing to the authorized officer. In the absence of such objection, or if the authorized officer does not find the objections sufficient and so advises the purchaser, or, subject to the final determination of an appeal, if taken, from the decision of reappraisal of the materials, the new prices shall be in effect and shall govern the payments to be made for all materials severed or extracted during the new contract year.

§ 259.15 *Assignments.* The purchaser may assign the contract or any interest therein only with the consent of the authorized officer. The proposed assignment shall be forwarded to the authorized officer in triplicate within thirty days from the date of its execution. Except as hereinafter provided, the assignment shall contain all the terms and conditions agreed upon by the parties thereto, the assignee's agreement to be bound by the terms of the contract, and shall be accompanied by a proper bond if one has been required under the contract, or the agreement of the surety to remain bound after the approval of the assignment, or, if no bond has been required under the contract, by an agreement to

furnish and maintain a proper bond, if required. An assignment to a lending agency as security for a loan may provide that the assignee shall receive merely the purchaser's title to the contract without assuming any liability thereunder, and that the assignor shall remain bound to perform under the contract. In such case, before approval of the assignment, the assignor must submit the written consent of his surety to remain bound under the terms of the contract. Nothing herein shall limit or restrict the right of the Government to suspend operations under, or terminate or cancel, the contract in accordance with §§ 259.16 and 259.19.

§ 259.16 *Termination of contracts.* (a) The authorized officer may terminate a contract at the requenst of the purchaser upon satisfactory showing that the termination will not adversely affect the public interest, and that all charges due the Government thereunder have been paid.

(b) Any contract, unexecuted in whole or in part, for disposal under section 4 of the act of materials from lands, title to which is transferred to a future State upon its admission to the Union, and which is situated within its boundaries, may be terminated or adopted by such State in such manner as the State may by law determine.

§ 259.17 *Extension of time.* The authorized officer, in his discretion, upon written request by the purchaser, not less than 90 days nor more than 150 days before expiration of the contract, may grant an extension of time within which to complete the contract if he purchaser shows that his delay in performance is due to circumstances beyond his control and that the extension will not prejudice the Government's interest. No extension may be granted, except in contracts for one year, without reappraisal of the materials remaining to be taken under the contract. Such reappraisals shall be made in accordance with the provisions of § 259.14, except that, in granting an extension of any contract whose original term was 2 years or more, the adjusted price of the materials to be severed or extracted during the extended term shall not be less than the contract price prevailing at the end of the original contract term.

§ 259.18 *Removal of personal property upon termination of contract.* (a) Upon termination of a contract the purchaser shall have the right at any time within one year thereafter to remove his equipment, improvements, or other personal property from the Government land, provided all charges due the United States under the contract have been paid. The authorized officer, in his discretion, may grant the purchaser's request for an extension of time for removal. Any improvements, equipment, or personal property remaining on the Government land at the end of such period shall become the property of the United States.

(b) Improvements necessary for the severance, extraction, or removal of other government-owned materials may be left on the Government land for such period and under such terms as may be prescribed by the authorized officer.

§ 259.19 *Default, suspension, cancellation, damages and expenses incurred by Government chargeable to purchaser.* (a) If any of the requirements of the contract are disregarded, the officer in charge, after giving oral or written notice, may suspend the purchaser's operations until there is satisfactory compliance therewith.

(b) If, after notice has been given, the purchaser fails to comply with all of the provisions of the contract, the authorized officer shall serve the purchaser with written notice requiring performance thereof within 30 days under penalty of cancellation of the contract and forfeiture of the bond and all monies paid. If the purchaser continues in default after the 30 days, the authorized officer may cancel the contract.

(c) The purchaser shall be liable for damage resulting from the breach of contract, including depreciation in the value of the remaining material based upon a determination by the authorized officer, and for any expense incurred by the Government by reason of the continued default.

§ 259.20 *Duration of contract.* (a) The maximum periods which shall be allowed after the date of the contract, for the severance or extraction of the materials purchased, except as the contract may be extended in accordance with § 259.17, shall be as follows: For sales of $1,000 or less, one year; for sales of over $1,000 but not exceeding $10,000, two years; for sales over $10,000 but not exceeding $100,000, five years; and for sales exceeding $100,000, such terms as shall be fixed in the notice of sale by the authorized officer, except that in any contract for the sale of timber from an intermediate cutting the term of such contract may be fixed by the authorized officer in his discretion in the notice of sale. The authorized officer may provide that contracts shall have

maximum periods longer than those prescribed above in the case of timber sales in Alaska under this part, where in his opinion the allowance of such longer periods will promote the development of the Territory, and such period shall be stated in the notice of sale where one is required.

(b) Contracts on Form 4–1164 shall be for a term of not more than 5 years as fixed in the notice of sale, and for so long thereafter as the material subject to the contract is being produced or removed in paying quantities.

FREE USE

§ 259.21 *Free-use privilege; limitations.* (a) Any person, or any association or corporation not organized for profit, may be permitted to take and remove, without charge, materials subject to the act, for use other than for commercial or industrial purposes or resale. Such permittee is granted a right to remove materials while the permit remains in force and, in accordance with the provisions of the permit, as against a subsequent applicant who may wish to obtain the same material by purchase. However, the materials may not be removed by the permittee after the land has been included in a valid claim by reason of settlement, entry, or similar rights obtained under the public land laws.

(b) Authority under other acts also exists for the free use of timber, under specified circumstances, (1) in certain states by settlers on public lands, citizens and bona fide residents of the State, and corporations doing business in the State (Part 284 of this chapter), and (2) in Alaska by actual settlers, residents, individual miners, prospectors for minerals, churches, hospitals, and charitable institutions (Part 79 of this chapter). Free-use timber applications may be considered under the act, rather than under the statutes and regulations mentioned, only when the applicants cannot qualify under such statutes and regulations, as in the case of any Federal, State, or territorial agency, unit, or subdivision, including municipalities, and Alaskan nonprofit associations and corporations which are not engaged in church, hospital, or charitable activities.

(c) The material applied for must be for the applicant's own use and only one free-use permit may be issued to any applicant in any calendar year. No green trees of saw-timber size will be disposed of under free-use permit in the States unless it is in the inteerst of the Government. Disposal of trees of saw-timber size in Alaska is permitted. A free-use permit may be granted for timber of a stumpage value not in excess of $25, or for other materials subject to disposal under the act of an in-place value not in excess of $25 in any calendar year. However, if it is in the interest of the Government to dispose of timber or other materials applied for under the act, a permit may be granted for materials not in excess of $200 in value. The material removed may not be bartered or sold.

(d) A free-use permit may be issued to any Federal, State, or Territorial agency, unit, or subdivision, including municipalities, without limitation as to the number of permits or as to the value of the materials to be severed, extracted, or removed, provided that the applicant makes a satisfactory showing to the authorized officer that such materials will be used for a public project. Such permits shall constitute a superior right to remove the materials and will continue in full force and effect, in accordance with its terms and provisions, as against any subsequent claim to or entry of the lands.

(e) Free-use permits shall not be issued where the applicant owns or controls an adequate supply of the material to meet his needs.

(f) All materials disposed of under free use shall be severed, extracted, or removed in accordance with approved forestry and conservation practices so as to preserve to the maximum extent feasible all scenic, recreational, watershed, and other values of the land and resources. In the free-use disposal of timber and other vegetative materials cutting and removal shall be accomplished in such manner as to leave the stand in condition for continuous production.

§ 259.22 *Application for permit.* An application for permit, in duplicate must be made on Form 4–056 and filed in any office or with any employee of the Bureau of Land Management authorized to issue such permit. However, a free use permit on Form 4–1192 may be granted for the removal of not more than three Christmas trees upon oral or written request.

§ 259.23 *Issuance and cancellation of permit; removal of materials; bond.* (a) A permit may be issued and shall incorporate the provisions, if any, governing the selection, removal, and use of the materials. One copy of Form 4–056 shall be returned to the applicant showing the approval or rejection of such application.

(b) The authorized officer may cancel a permit if the permittee fails to observe its terms and conditions or the regulations, or if the permit has been issued erroneously.

(c) No materials shall be removed until the permit is issued. A bond satisfactory to the authorized officer may be required as a guarantee of faithful performance of the provisions of the permit and applicable regulations.

§ 259.24 *Removal by agent.* A free-use permittee may procure the materials by agent. Such agent shall not, however, be paid more than fair compensation for the time, labor, and money expended in procuring the material and processing it, and, no charge shall be made for the material itself. No part of the material may be used in payment for services in obtaining or processing it.

§ 259.25 *Termination of permit; extensions; notice of completion of removal operations.* Permits shall be granted for periods not to exceed one year and shall terminate on the expiration dates shown therein unless extended by the signing officer. An extension not to exceed one year may be granted by the authorized officer. However, the authorized officer may grant permits to any Federal, State, or Territorial agency, unit or subdivision, including municipalities, for such periods as he may deem appropriate. The permittee must notify the officer in charge upon completion of removal.

GENERAL

§ 259.26 *Trespass; penalty for unauthorized removal of material.* The severance, extraction, or removal of materials from public land under the jurisdiction of the Department of the Interior, except when authorized by law and the regulations of the Department is an act of trespass. Trespassers will be liable in damages to the United States, and will be subject to criminal prosecution for such unlawful acts.

§ 259.27 *Appeals.* A party aggrieved by any official action regarding his application, contract, or permit, may appeal from the decision of any subordinate official to the Director of the Bureau of Land Management, and from the Director's decision to the Secretary of the Interior pursuant to the Rules of Practice (Part 221 of this chapter).

[PUBLIC—No. 405—75TH CONGRESS]

[CHAPTER 876—1ST SESSION]

[H. R. 7618]

AN ACT Relating to the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon

Be it enacted by the Senate and House of Representatives of the United States of Ameriea in Congress assembled, That notwithstanding any provisions in the Acts of June 9, 1916 (39 Stat. 218), and February 26, 1919 (40 Stat. 1179), as amended, such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site lands valuable for timber, shall be managed, except as provided in section 3 hereof, for permanent forest production, and the timber thereon shall be sold, cut, and removed in conformity with the principle of sustained yield for the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities: *Provided,* That nothing herein shall be construed to interfere with the use and development of power sites as may be authorized by law.

The annual productive capacity for such lands shall be determined and declared as promptly as possible after the passage of this Act, but until such determination and declaration are made the average annual cut therefrom shall not exceed one-half billion feet board measure: *Provided,* That timber from said lands in an amount not less than one-half billion feet board measure, or not less than the annual sustained yield capacity when the same has been determined and declared, shall be sold annually, or so much thereof as can be sold at reasonable prices on a normal market.

If the Secretary of the Interior determines that such action will facilitate sustained-yield management, he may subdivide such revested lands into sus-

tained-yield forest units, the boundary lines of which shall be so established that a forest unit will provide, insofar as practicable, a permanent source of raw materials for the support of dependent communities and local industries of the region; but until such subdivision is made the land shall be treated as a single unit in applying the principle of sustained yield: *Provided*, That before the boundary lines of such forest units are established, the Department, after published notice thereof, shall hold a hearing thereon in the vicinity of such lands open to the attendance of State and local officers, representatives of dependent industries, residents, and other persons interested in the use of such lands. Due consideration shall be given to established lumbering operations in subdividing such lands when necessary to protect the economic stability of dependent communities. Timber sales from a forest unit shall be limited to the productive capacity of such unit and the Secretary is authorized, in his discretion, to reject any bids which may interfere with the sustained-yield management plan of any unit.

SEC. 2. The Secretary of the Interior is authorized, in his discretion, to make cooperative agreements with other Federal or State forest administrative agencies or with private forest owners or operators for the coordinated administration, with respect to time, rate, method of cutting, and sustained yield, of forest units comprising parts of revested or reconveyed lands, together with lands in private ownership or under the administration of other public agencies, when by such agreements he may be aided in accomplishing the purposes hereinbefore mentioned.

SEC. 3. The Secretary of the Interior is authorized to classify, either on application or otherwise, and restore to homestead entry, or purchase under the provisions of section 14 of the Act of June 28, 1934 (48 Stat. 1269), any of such revested or reconveyed land which, in his judgment, is more suitable for agricultural use than for afforestation, reforestation, streamflow protection, recreation, or other public purposes.

Any of said lands heretofore classified as agricultural may be reclassified as timberlands, if found, upon examination, to be more suitable for the production of trees than agricultural use, such reclassified timber lands to be managed for permanent forest production as herein provided.

SEC. 4. The Secretary of the Interior is authorized, in his discretion, to lease for grazing any of said revested or reconveyed lands which may be so used without interfering with the production of timber or other purposes of this Act as stated in section 1: *Provided*, That all the moneys received on account of grazing leases shall be covered either into the "Oregon and California land-grant fund" or the "Coos Bay Wagon Road grant fund" in the Treasury as the location of the leased lands shall determine, and be subject to distribution as other moneys in such funds: *Provided further*, That the Secretary is also authorized to formulate rules and regulations for the use, protection, improvement, and rehabilitation of such grazing lands.

SEC. 5. The Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect. The Secretary of the Interior is further authorized, in formulating forest-practice rules and regulations, to consult with the Oregon State Board of Forestry representatives of timber owners and operators on or contiguous to said revested and reconveyed lands, and other persons or agencies interested in the use of such lands.

In formulating regulations for the protection of such timberlands against fire, the Secretary is authorized, in his discretion, to consult and advise with Federal, State, and county agencies engaged in forest-fire-protection work, and to make agreements with such agencies for the cooperative administration of fire regulations therein: *Provided*, That rules and regulations for the protection of the revested lands from fire shall conform with the requirements and practices of the State of Oregon insofar as the same are consistent with the interests of the United States.

TITLE II

That on and after March 1, 1938, all moneys deposited in the Treasury of the United States in the special fund designated the "Oregon and California land-grant fund" shall be distributed annually as follows:

(a) Fifty per centum to the counties in which the lands revested under the Act of June 9, 1916 (39 Stat. 218), are situated, to be payable on or after June 30, 1938, and each year thereafter to each of said counties in the proportion that

the total assessed value of the Oregon and California grant lands in each of said counties for the year 1915 bears to the total assessed value of all of said lands in the State of Oregon for said year, such moneys to be used as other county funds.

(b) Twenty-five per centum to said counties as money in lieu of taxes accrued or which shall accrue to them prior to March 1, 1938, under the provisions of the Act of July 13, 1926 (44 Stat. 915), and which taxes are unpaid on said date, such moneys to be paid to said counties severally by the Secretary of the Treasury of the United States, upon certification by the Secretary of the Interior, until such tax indebtedness as shall have accrued prior to March 1, 1938, is extinguished.

From and after payment of the above accrued taxes said 25 per centum shall be accredited annually to the general fund in the Treasury of the United States until all reimbursable charges against the Oregon and California land-grant fund owing to the general fund in the Treasury have been paid: *Provided*, That if for any year after the extinguishment of the tax indebtedness accruing to the counties prior to March 1, 1938, under the provisions of Forty-fourth Statutes, page 915, the total amount payable under subsection (a) of this title is less than 78 per centum of the aggregate amount of tax claims which accrued to said counties under said Act for the year 1934, there shall be additionally payable for such year such portion of said 25 per centum (but not in excess of three-fifths of said 25 per centum), as may be necessary to make up the deficiency. When the general fund in the Treasury has been fully reimbursed for the expenditures which were made charges against the Oregon and California land-grant fund said 25 per centum shall be paid annually, on or after June 30, to the several counties in the manner provided in subsection (a) hereof.

(c) Twenty-five per centum to be available for the administration of this Act, in such annual amounts as the Congress shall from time to time determine. Any part of such per centum not used for administrative purposes shall be covered into the general fund of the Treasury of the United States: *Provided*, That moneys covered into the Treasury in such manner shall be used to satisfy the reimbursable charges against the Oregon and California land-grant fund mentioned in subsection (b) so long as any such charges shall exist.

All Acts or parts of Acts in conflict with this Act are hereby repealed to the extent necessary to give full force and effect to this Act.

Approved, August 28, 1937.

[Public Law 291—80th Congress]

[Chapter 406—1st Session]

[S. 1185]

AN ACT To provide for the disposal of materials on the public lands of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, under such rules and regulations as he may prescribe, may dispose of materials including but not limited to sand, stone, gravel, yucca, manzanita, mesquite, cactus, common clay, and timber or other forest products, on public lands of the United States if the disposal of such materials (1) is not otherwise expressly authorized by law, including the United States mining laws, (2) is not expressly prohibited by laws of the United States, and (3) would not be detrimental to the public interest. Such materials may be disposed of only in acordance with the provisions of this Act and upon the payment of adequate compensation therefor, to be determined by the Secretary: *Provided, however*, That, to the extent not otherwise authorized by law, the Secretary is authorized in his discretion to permit any Federal, State, or Territorial agency, unit or subdivision, including municipalities, or any person, or any association or corporation not organized for profit, to take and remove, without charge, materials and resources subject to this Act, for use other than for commercial or industrial purposes or resale. Where the lands have been withdrawn in aid of a function of a Federal department or agency other than the Department of the Interior or of a State, Territory, county, municipality, water district, or other local governmental subdivision or agency, the Secretary of the Interior may make disposals under this Act only with the consent of such Federal department or agency or of such State, Terri-

tory, or local governmental unit. Nothing in this Act shall be construed to apply to lands in any national forest, national park, or national monument or to any Indian lands, or lands set aside or held for the use or benefit of Indians, including lands over which jurisdiction has been transferred to the Department of the Interior by Executive order for the use of Indians.

SEC. 2. Where the appraised value of the material exceeds $1,000, it shall be disposed of by the Secretary to the highest responsible qualified bidder by competitive bidding and publication of notice of the proposed disposal once each week for a period of four consecutive weeks in a newspaper of general circulation in the county in which the material is located. Where the appraised value of the material is $1,000 or less, it may be disposed of by the Secretary upon such notice and in such manner as he may prescribe.

SEC. 3. All moneys received from the disposal of materials under this Act shall be disposed of in the same manner as moneys received from the sale of public lands.

Approved July 31, 1947.

[Friday, July 19, 1957, Federal Register, proposed rulemaking]

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

[43 CFR Part 115]

REVESTED OREGON AND CALIFORNIA RAILROAD AND RECONVEYED COOS BAY WAGON ROAD GRANT LANDS IN OREGON

SALE OF TIMBER

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by the Act of August 28, 1937 (50 Stat. 874) and Revised Statutes 2478 (43 U. S. C. 1201), and as a result of the removal of marketing requirements for timber on the O & C lands (22 F. R. 2186), it is proposed to revise the regulations in §§ 115.15–115.84 as indicated below.

Interested persons may submit in triplicate written comments, suggestions or objections with respect to the proposed regulations to the Bureau of Land Management, Washington 25, D. C., within 30 days from the date of publication of this notice in the FEDERAL REGISTER.

ROGER C. ERNST,
Assistant Secretary of the Interior.

JULY 15, 1957.

The present §§ 115.15 to 115.84, including the center heads preceding and within such portion of this part are revoked and the following issued in lieu thereof:

SALE OF TIMBER

Sec.

115.15 Statutory authority.
115.16 Definitions.
115.17 Annual timber sale plan.
115.18 Advertising.
115.19 Appraisal and measurement.
115.20 Competitive sales.
115.21 Negotiated sales.
115.22 Qualifications of bidders.
115.23 Deposits with bids.
115.24 Conduct of sales.
115.25 Award of contract.
115.26 Contract forms.
115.27 Performance bonds.
115.28 Payments.
115.29 Time for cutting.
115.30 Extension of time.
115.31 Reappraisals.
115.32 Assignments.

§ 115.15 *Statutory authority.* The act of August 28, 1937 (50 Stat. 874, 43 U. S. C. 1181a) authorizes the sale of timber from the Revested Oregon and California and Reconveyed Coos Bay Wagon Road Lands and directs that such lands shall be managed for permanent forest production and the timber thereon sold, cut and removed in conformity with the principle of sustained yield for the

purpose of providing a permanent source of timber supply, protecting watersheds, regulating streamflow and contributing to the economic stability of local communities and industries and providing recreational facilities.

§ 115.16 *Definitions.* Except as the context may otherwise indicate, as the terms are used in §§ 115.15 to 115.32 and in contracts issued thereunder:

(a) "Bureau" means Bureau of Land Management, Department of the Interior.

(b) "Director" means the Director of the Bureau of Land Management.

(c) "Authorized Officer" means the Government official who has been duly authorized to sign a contract for the sale of timber from O & C lands or to supervise operations and take action under such contract.

(d) "O. and C. Lands"—see § 115.2.

(e) "Timber" means standing trees, downed trees, logs or forest products of any type.

(f) "Salvage" means trees that have been killed or are dying because of wind, fire, insects, disease or other similar cause, or defective trees or logs remaining from a previous logging operation.

§ 115.17 *Annual timber sale plan.* Plans for the sale of timber from the O. and C. lands will be developed annually. Suggestions from prospective purchasers of such timber may be received to assist in the development of a sound annual timber sale plan. Such plan shall be advertised before the commencement of each calendar year or as soon thereafter as possible in a newspaper of general circulation in the marketing area in which the timber is located. Such advertisement shall indicate generally the probable time when the various tracts of timber included in the plan will be offered for sale, and the probable location and anticipated volumes of such tracts. The authorized officer may subsequently change, alter or amend the annual timber sale plan.

§ 115.18 *Advertising.* (a) Competitive timber sales shall be advertised in a newspaper of general circulation in the area in which the timber is located and a notice of the sale shall be posted in a conspicuous place in the office where bids are to be submitted. Such advertisement shall be published on the same day once a week for two consecutive weeks, except that sales amounting to less than 500 M board feet, need be published once only.

(b) The advertisement of sale shall state the location by legal description of the tract or tracts on which timber is being offered, the species, estimated quantities, the unit of measurement, appraised values, time and place for receiving and opening of bids, minimum deposit required, the access situation, the method of bidding, the office where additional information may be obtained, and such additional information as the authorized officer may deem necessary.

§ 115.19 *Appraisal and measurement.* All timber to be sold shall be appraised and in no case shall be sold at less than the appraised value. Such timber shall be measured by tree cruise, log scale, weight, or such other form of measurement as the authorized officer determines to be in the public interest.

§ 115.20 *Competitive sales.* All sales other than those specified in § 115.21 shall be made only after inviting competitive bids through publication and posting. Sales shall not be held sooner than one week after the last advertisement. No competitive sales shall be offered by the authorized officer unless there is access to the sale area which is available to anyone who is qualified to bid.

§ 115.21 *Negotiated sales.* (a) When it is determined by the authorized officer to be in the public interest, he may sell at not less than the appraised value, without advertising or calling for bids, timber not exceeding an estimated volume of 100 M board-feet or, if the timber is not measured in board-feet, a quantity not exceeding $2,000 in appraised value: *Provided,* That not more than two such sales may be made to or for the benefit of any one person, partnership, association, or corporation in any period of twelve consecutive months.

(b) When it is determined by the authorized officer to be in the public interest or to be necessary for the normal conduct of logging, he may sell to a holder of a timber sale contract, during the term thereof, without advertising or calling for bids, additional timber not to exceed 250 M board-feet within or near the contract area. Such sale of additional timber shall be at not less than the appraised value at the time of the additional sale.

(c) Timber on the right-of-way of a logging road and danger trees adjacent to the right-of-way may be sold at not less than the appraised value without advertising or calling for bids to (1) a permittee who constructs a road pursuant to a permit issued under this part or (2) a contractor who is constructing a road with Government funds.

§ 115.22 *Qualifications of bidders.* A bidder for the sale of timber must be authorized to transact business in the State of Oregon and must have submitted a deposit in advance of sale as required by § 115.23.

§ 115.23 *Deposits with bids.* Sealed bids must be accompanied by a deposit of not less than 10 percent of the appraised value of the timber. For timber offered at oral auction, bidders must make a deposit of not less than 10 percent of the appraised value prior to the opening of the bidding. The authorized officer may, in his discretion, require larger deposits. Deposits may be in the form of cash, money orders, bank drafts, cashiers' or certified checks made payable to the Bureau of Land Management, or bid bonds of a corporate surety shown on the approved list of the United States Treasury Department. Upon conclusion of the bidding, the bid deposits of all bidders, except the high bidder, shall be returned. Except for corporate surety bid bonds, the deposit of the successful bidder will be applied on the purchase price at the time the contract is signed by the authorized officer.

§ 115.24 *Conduct of sales.* (a) Bidding at competitive sales shall be conducted by the submission of written sealed bids, oral bids, or a combination of both as directed by the authorized officer. In the event of a tie in high sealed bids, the highest bidder shall be determined by oral auction among the high bidders. If no oral bid is made which is higher than the sealed bids, the highest bidder shall then be determined by lot. In oral auction sales the high bidder must confirm his bid in writing immediately upon being declared the high bidder. Except for the first bid, no oral bid will be considered or recorded which is not higher than the highest preceding bid.

(b) At the request of the authorized officer, or the officer conducting the sale, bidders must furnish evidence of qualification in conformance with section 115.22 or if such evidence has already been furnished, make appropriate reference to the record containing it.

(c) When it is in the interest of the Government to do so the authorized officer may reject any or all bids and may waive minor deficiencies in the bids or the timber sale advertisement.

(d) If no bid is received within the time specified in the advertisement of sale, and if the authorized officer determines that there has been no significant rise in the market value of the timber, he may in his discretion, keep the sale open for not to exceed 90 days by posting notice thereof in a conspicuous place in the office where bids are to be submitted. If during such period a written bid is submitted, together with the required deposit, for not less than the advertised appraised value, a notice of such bid shall be posted immediately after receipt of such bid for seven successive days in the same office and in the same manner. If no other written bid is received during the seven day posting period, the sole bidder shall be deemed the high bidder. If, however, during such seven day posting period other written bids are received, an oral auction shall be conducted in the usual manner for those who have submitted written bids. The authorized officer shall notify those who have submitted written bids of the time and place of the oral auction. The written bids shall be considered the initial bids in such oral auction. If there is a tie in the high written bids that are submitted during the seven day posting period and if no higher bid is offered during the oral auction, the party who first submitted the high bid shall be deemed the high bidder.

§ 115.25 *Award of contract.* (a) The authorized officers may require the high bidder to furnish such information as is necessary to determine the ability of the bidder to perform the obligations of the contract. The contract shall be awarded to the high bidder, unless he is not qualified or responsible, or unless all bids are rejected. If the high bidder is not qualified or responsible, the contract may be offered and awarded for the amount of the high bid to the highest of the other bidders who is qualified, responsible, and willing to accept the contract.

(b) Within 30 days after receipt of the contract the successful bidder shall sign and return the contract, together with any required performance bond; *Provided,* That the authorized officer may, in his discretion, extend such period an additional 30 days if the extension is applied for in writing and granted in writing within the first 30-day period. If the successful bidder fails to comply within the stipulated time, his bid deposit shall be forfeited as liquidated damages.

§ 115.26 *Contract forms.* All sales shall be made on contract forms approved by the Director. The authorized officer may include additional provisions in

the contract to cover conditions perculiar to the sale area, such as road construction, logging methods, silvicultural practices, reforestation, snag felling, slash disposal, fire prevention, fire control, and protection of improvements, watersheds and recreational values. Such additional provisions shall be made available for inspection by prospective bidders during the advertising period.

§ 115.27 *Performance bonds.* A performance bond of not less than 20 percent of the total contract price will be required for contracts of $2,000 or more. When the total contract price is less than $2,000, bond requirements, if any, will be in the discretion of the authorized officer. The performance bond may be:

(a) Bond of a corporate surety shown on the approved list issued by the United States Treasury Department and executed on an approved standard form.

(b) Personal surety bond, executed on an approved standard form if the authorized officer determines the principals and bondsmen are capable of carrying out the terms of the contract; or

(c) Cash bond, or

(d) Negotiable securities of the United States.

§ 115.28 *Payments.* (a) No part of any timber sold may be cut or removed unless advance payment has been made as provided in the contract.

(b) For sales under $2,000 the full amount shall be paid prior to or at the time the authorized officer signs the contract. For sales of $2,000 or more the authorized officer may allow payment by installments as provided below:

(1) Installment payments shall be determined by the authorized officer but in no case shall be less than 10 percent of the total purchase price. For cruise sales the first installment shall be paid prior to or at the time the authorized officer signs the contract. The second installment shall be paid prior to the commencement of cutting operations. Remaining installments shall be due and payable without notice whenever the value of the timber cut shall equal the sum of the second and subsequent ilnstallments paid by the purchaser. The total amount of the purchase price must be paid prior to 60 days before the expiration date of the contract. The purchaser shall not be entitled to a refund on a cruise sale even though the amount of timber cut, removed or designated for cutting may be less than the estimated ttoal volume shown in the contract.

(2) For scale sales installment payments shall be made in the same manner as in subparagraph (1) of this paragraph, except that if it is determined after all designated timber has been cut that the total payments made under the contract exceed the total value of the timber measured, such excess shall be returned to the purchaser.

§ 115.29 *Time for cutting.* Time for cutting timber sold shall not exceed a period of two years except that such time for cutting may be extended as provided in § 115.30.

§ 115.30 *Extension of time.* If the purchaser shows that his delay in cutting was due to causes beyond his control and without his fault or negligence, the authorized officer may grant an extension of time, not to exceed one year, upon written request of the purchaser. Such written request must be received not later than 30 days prior to the expiration date of the time for cutting but not earlier than 90 days prior thereto. Additional extensions may be granted if the purchaser submits the same type of writen request not later than 30 days prior to the expiration date of an extension but not earlier than 90 days prior thereto. No extension may be granted without reappraisal as provided in § 115.31.

§ 115.31 *Reappraisals.* If an extension is granted as provided in § 115.30, each species of timber remaining on the contract area, title to which has not passed to the purchaser, shall be reappraised by the authorized officer. Such reappraised prices shall become the new unit prices for the purpose of computing the reappraised total purchase price, except that the new unit prices shall not be less than the unit prices that were in effect during the original time for cutting or previous extension.

§ 115.32 *Assignments.* (a) The purchaser may not assign the contract or any interest therein without the written approval of the authorized officer. An assignment shall contain all the terms and conditions agreed upon by the parties thereto.

(b) The authorized officer will not approve any proposed assignment involving contract performance unless the assignee (1) is authorized to transact business in the State of Oregon; (2) submits such information as is necessary to assure

the authorized officer of his ability to fulfill the contract; and (3) furnishes a performance bond as required by § 115.28 or obtains a commitment from the previous surety to be bound by the assignment when approved. Upon approval of an assignment by the authorized officer, the assignee shall be entitled to all the rights and subject to all the obligations under the contract, and the assignor shall be released from any further liability under the contract.

[F. R. Doc. 57-5889; Filed, July 18, 1957; 8:45 a. m.]

MEMORANDUM PREPARED BY COMMITTEE STAFF

[Bureau of Land Management timber sale record from statistical appendix, Report of the Director of the Bureau of Land Management, 1956, tables 10 and 42]

Public domain[1]

[In board-feet]

	Producing capacity	1956 timber sales
Area 1: Oregon, California, Washington	177, 600, 000	60, 738, 000
Area 2: Arizona, Idaho, Nevada, Utah	204, 600, 000	18, 053, 000
Area 3: Colorado, Montana, New Mexico, Oklahoma, South Dakota, Wyoming	93, 895, 000	29, 675, 000
Eastern States	5, 800, 000	101, 000
Alaska	2, 300, 000, 000	22, 671, 000
Total	2, 781, 895, 000	131, 238, 000

[1] Excludes Oregon and California and Coos Bay lands in Oregon.

Actual cut 5 percent of productive capacity.
The allowable cut for public-domain land is not specified by law.

Oregon and California revested lands—Oregon[1]

	Board-feet (timber sales include sales not chargeable to allowable cut)[2]	Percentage of declared allowable cut[3]		Board-feet (timber sales include sales not chargeable to allowable cut)[2]	Percentage of declared allowable cut[3]
1948	399, 767, 000	73	1953	551, 500, 000	91
1949	264, 358, 000	46	1954	615, 127, 000	94
1950	395, 437, 000	61	1955	644, 608, 000	107
1951	415, 833, 000	64	1956	664, 835, 000	108
1952	419, 258, 000	62			

[1] From table 45, annual report.
[2] Represents timber sold. Sales are on lump-sum basis and volume cut is not accurately tabulated.
[3] Based on allowable cut for year concerned. The sale volume used in this calculation includes salvage sales not originally chargeable against the allowable cut. Since figures include the controverted lands, sales data for this ratio include the controverted lands prior to 1955-56. The 1955 and 1956 figures are based on the Oregon and California lands exclusive of the controverted lands placed under Forest Service administration by Public Law 426.

By a series of administrative actions the Secretary of the Interior has raised the allowable cut on the Oregon and California lands from 500 million board-feet in 1937 to 676.2 million board-feet in 1957.

Public domain and Oregon lands combined, 1956

Allowable cut, board-feet	3, 397, 855, 000
Actual cut, board-feet	796, 073, 000
Percent of allowable cut sold	23

Mr. WOLF. I notice that the east Klamath working circle has an allowable cut of 36 million feet, and that, in a 5-year period, 1945 through 1949, the Forest Service sold 216 million feet, which looks to me like it averaged 8 million feet over the allowable cut. In the 5-year period, 1950 through 1954, they sold 172 million feet; in 1955

they sold 34.2 million feet; and, in 1956, 50.7 million feet. For the last 12 years, the cut has been over their allowable cut. I notice the Deschutes National Forest was over their allowable cut last year. They sold 122.6 million feet, and the allowable cut is only 87.5 million feet. The Rogue River sold 104.7 million feet in 1955; their allowable cut is 103 million feet. In 1956, they sold 125 million feet. I know they are under their allowable cut on certain forests, but in this area they seem to have no trouble selling their allowable cuts. Now, I am wondering, if their sales policy is so bad, how can they do so well in selling their allowable cut in this area?

Mr. PUCKETT. Certainly, they have no trouble in selling their allowable cuts. There are sawmills here starving for timber, going into California and Redding and into the Umpqua and every place else for timber. They have the privilege of either buying or shutting down. But your Forest Service of the United States of America has no allowable cut for the Forest Service. They have regulations that set up in their own districts, but they are not governed by any law as to what they can or shall offer for sale.

Mr. WOLF. Well, now, they are required to be on sustained yield.

Mr. PUCKETT. I doubt that.

Mr. WOLF. The act of 1897 requires that they supply timber continuously to the people of the United States for their needs. The management plans for each forest are approved by the Chief of the Forest Service. They state the allowable cuts, and my understanding is, within the limitations of money provided by Congress, each forest is supposed to put up all the timber that it gets money to process for sale. Now, are we incorrect in that assumption?

Mr. PUCKETT. If they don't cut their timber any faster than they are, they will certainly always have a sustained yield.

Senator NEUBERGER. Mr. Puckett, there is one thing I want to point out to you, and I wonder if you and your associates who favor the Bureau of Land Management over the Forest Service have thought this through. I will not say here that S. 2047 is going to fail to pass. But I will say it is going to take something of a legislative miracle to bring about its passage. I feel somewhat in urging this bill upon my colleagues from 47 other States as Premier Renault of France did when the Germans broke through at Sedan and he said to his colleagues in the Chamber of Deputies, he said, "Only a miracle can save France, and, if you ask me if I believe in miracles, I will say I believe in France." And I say, if you ask me if I believe in miracles, I say I believe in the best welfare of the State of Oregon and, therefore, I have hopes that this bill is going to pass.

But let me point out to you the difficulty that you and your associates that favor the Bureau of Land Management impose upon us who are advocating this bill. As you are aware, under the Forest Service regulations, with the distribution of fees from timber stumpage, 75 percent of the income goes to the Federal Government and 25 percent goes to the counties in which the timber is located; is that correct?

Mr. PUCKETT. That is correct.

Senator NEUBERGER. Under the O. and C. regulations, if I am not mistaken, it is reversed; is that correct? What is the distribution under the O. and C.?

Mr. WOLF. Senator, there are three formulas applicable in the O. and C. area. The O. and C. lands themselves provide that 75 percent go to the counties and 25 percent to the Federal Government. The Coos Bay wagon-road grant which is subsidiary——

Senator NEUBERGER. Revested grants?

Mr. WOLF. Yes—provides that the payment will be the same as if the lands were in private owership. Now, both those lands have a special legislative history.

Senator NEUBERGER. I am talking about the general Bureau of Land Management practice.

Mr. WOLF. The third category, the public-domain land, only pays 5 percent.

Senator NEUBERGER. I am talking about Bureau of Land Management timberland here, the O. and C., where you have 75 percent.

Mr. WOLF. That is due to the special legislative history.

Senator NEUBERGER. I understand that, but, if we set up a category here under which 75 percent would go to the counties, and only 25 percent to the Federal Government, I would say you would absolutely extinguish what chance there is for passage of this legislation for Federal purchase, because remember that the fate of this is going to be decided by the Members of Congress from 47 other States, not from the State of Oregon, which is just a little tiny handful of people, and only the State of Oregon, they will feel, is directly involved. If we go to our colleagues and ask them to appropriate between $100 million and $150 million for this purchase, and I believe the figure used in the paper this morning or yesterday morning that I cited to Mrs. McAnulty was $113 million, and then we propose that there be a method of timber operation under which 75 percent of the stumpage income would go to the local counties—and only 25 percent to the Federal Government to help them recover this vast investment in funds collected from taxpayers all over the United States of America, I would say you would just extinguish any chance for passage of this bill. You can understand that situation, can't you?

Mr. PUCKETT. Senator, the Coos Bay and the Oregon and California wagon road was purchased by the Federal Government for the 18 counties in the State of Oregon. They did not receive 75 percent of the money; they only received a small percentage of the money until the Federal Government was paid back every dime and every dollar that they had put into the Coos Bay wagon road and the O. and C. land, or public domain.

Senator NEUBERGER. Then would you be willing to have this bill provide that the Federal Government be totally reimbursed for the $113 million it would spend?

Mr. PUCKETT. It would have to be.

Senator NEUBERGER. To be totally reimbursed for the $113 million?

Mr. PUCKETT. It would have to be.

Senator NEUBERGER. Before any funds go to the counties involved?

Mr. PUCKETT. I wouldn't say any funds; I would say a few percent go to the counties alone, but they would never receive 75 percent, like they do in the Bureau of Land Management timber, until the Federal Government was reimbursed for every dollar they had put into the property.

Senator NEUBERGER. Do you think that that viewpoint would meet with the concurrence of the county officials here in this area?

Mr. PUCKETT. If the purchase of the Klamath Indian Reservation is a good deal for anybody, it is a good deal for Klamath County.

Senator NEUBERGER. I think so, and I think it is an excellent thing, but I am asking you if you think that the proposal that the Federal Government be totally reimbursed out of timber revenues before any substantial in-lieu payments be made to the counties would have widespread local support.

Mr. PUCKETT. That, I do not know, but it would have to be. Klamath County knows that if they buy the Indian reservation they would have to pay for it the same as if Weyerhaeuser Timber Co. buys it or anybody else.

Senator NEUBERGER. Do you have any more questions of Mr. Puckett? I certainly appreciate your coming, and you have raised a very interesting issue. Thank you very much. The next witness is Mr. Leonard Netzorg, representing Western Forest Industries Association.

STATEMENT OF LEONARD NETZORG, REPRESENTING WESTERN FOREST INDUSTRIES ASSOCIATION

Mr. NETZORG. Senator, my name is Leonard B. Netzorg; I am a lawyer from Portland, Oreg. I appear on behalf of Western Forest Industries Association, a trade association of timber operators in the West, mainly in the State of Oregon. I would add that I personally have no client in this area who could economically buy a stick of the timber we are talking about. I would add that there is no member of the association for whom I speak today who it is conceivable would have a stick of this timber, so that in speaking today for the association I would emphasize that we have no immediate financial interest in this situation, and we speak mainly out of principle.

I would also like to take a moment to tell you how the association became interested in this. The association became interested because I personally was originally approached by the Oregon Council of Churches to discuss with them some of the problems attending the Klamath termination. The plan I presented to the council of churches was in turn presented to this committee at hearings conducted on October 18, 1956. The association then became interested and endorsed that plan and has asked me then to testify in support of it.

Before going to that, I think it would be helpful in an understanding of our views if we explain the major premise from which we reason. We find ourselves morally concerned that the proposition that any person within the United States is treated differently from his fellow men and distastefully to himself because of race. From this innate feeling of what is right and wrong we proceed to the opinion that competent Indians who desire to be relieved from restrictive laws applicable only to Indians and who desire to have the same right to manage and dispose of their property as is enjoyed by all other persons in the United States ought to be allowed to do so.

We further believe that within the United States there are persons who have sufficient imagination, judgment, and skill to evolve suitable legislative and administrative procedures for permitting such

competent Indians to escape from racially restrictive laws while, at the same time, fully protecting the interests of the Indians who are incompetent or who desire to continue in a special status.

Fundamentally, we question any attitude which results in saying to a competent Indian that he may not manage his own life and property as freely as other persons solely because he is of the same race or bloodline as a few other persons who do not desire or are incompetent to exercise such freedom at this time.

In taking this approach to the problem we certainly do not want to be understood as criticizing in any way the attitude of the Indians who desire to remain in a tribal relationship. We believe that the United States is big enough to accommodate their wishes and that their wishes should be respected for a whole variety of reasons which will readily occur to this subcommittee. But we do not believe that their wishes respecting themselves should be binding upon other persons merely because such other persons are of the same racial descent or bloodline.

That is the premise from which we reason. Now, the plan which was presented to this committee in October of 1956 I think need not be further detailed. It has been printed in the committee hearings. Basically, it provided that those Indians who desired to terminate their tribal relationship should be allowed to do so, and that those who desired to remain in turn should be allowed to do so.

We were concerned basically about the timber in that respect because of our very deep belief that no person or no group of persons can live well in the United States, or any place in this world, unless there is some sound economy underneath them. And since the basic resource of this group of persons is timber, their future welfare is dependent upon how this timber is handled.

So we proposed that those Indians who desired to leave tribal relationship, they should be permitted to leave tribal relationship. Those who wished to remain in tribal relationship ought to be accorded that privilege. We proposed that timber representing the value of the interest of the Indians who desired to leave should be acquired by the United States at a retail value, full retail value. As a detail of that we proposed that the acquisition be by the Forest Service, or by the United States Forest Service.

As to the Indians who desired to remain, we proposed that their interest in the forest be managed by the Forest Service under existing legislation. The Forest Service now manages timber for private persons; it manages timber for communities. Such management, therefore, on behalf of the remaining Indians would not be because of any racial or blood line. The Forest Service today, I understand, manages timber for Hood River County, Oreg. It manages some timber for the cities of Medford, Corvallis. To the south it manages timber for private persons. There is no reason, therefore, why the Forest Service could not, under existing legislation, contract for the management of the timber remaining in tribal ownership.

Under such a scheme then, Senator, the ownership of the reservation would be divided. Half would be owned, or a portion would be owned, by the United States, and a portion would be owned by the remaining Indians. And yet the management of the timber, which is the key to this situation, would be in a single entity, the Forest

Service. This would permit maximization of sustained yield. It would permit cutting of the timber wherever most appropriate forestrywise. Distribution of revenues would then be made, not dependent upon where a particular tree was cut, but based upon the value contributed by each of the parties to the total forest. It is analogous in sum to the way O. and C. revenues are distributed to the several counties.

Now that very briefly is an outline of the plan which appears in the record of the past hearings of this committee.

To finance this arrangement, we had proposed, and this is a matter on which we defer to judgments closer to Washington than ourselves, that the acquisition by the United States be made not by a dollar appropriation, but by taking some percentage of total national forest receipts. Those receipts are returning about $110 million a year, more or less. This would enable cash to be paid and yet it would assure that the Indians who were withdrawing would have their full value, and yet would not place upon these people the burden of suddenly managing several hundred thousand dollars per family, a burden which can be handled, it seems to me, as well by an Indian family who is not used to that as by a white family or non-Indian family who is not used to handling capital.

Senator NEUBERGER. You represent as attorney a considerable number of what you might call relatively small lumber and sawmill operations?

Mr. NETZORG. These range in size, Senator, from those who cut about 8 million a year up to 120 million feet a year, all sizes.

Senator NEUBERGER. Do you or they have any of the fears about Forest Service operation that Mr. Puckett expressed earlier?

Mr. NETZORG. Senator, I have occasion to deal intimately with the Forest Service in California, Oregon, Idaho, Washington, Montana, and forest by forest within these States. The Forest Service is like any other organization. It has its good areas; it has its areas where public relations are not as good as they might be. From what Mr. Puckett says, this is one such area. I think those who deal in a number of areas are aware that this is true equally of the Bureau of Land Management. There are those areas which for reasons of personnel, personality, or the skill of the individuals who happen to be stationed there, relations are not as excellent as they might be. There are some areas where the relations of the Bureau of Land Management with the public and with the operators are bad.

The same is true of the Forest Service. It is a matter largely of the ranger, the particular forester, and the particular persons with whom you are dealing.

I have explained on many occasions that the mere fact that a private citizen fills out a Government form 57 and takes a Federal job does not make him a specialist in the field of public relations, so that the matter is somewhat spotty.

I would say, and this is a purely personal view, so long as Richard McArdle is the Chief of the Forest Service, I have supreme confidence in the Forest Service.

Senator NEUBERGER. I want to say that I personally have confidence in the Forest Service. Without speaking in derogation of any other agency of Government, I believe that the Forest Service has

such confidence on the part of Members of Congress that to have the custody of this timber under the Forest Service would assist passage of the bill more than if any other agency of Government had the custodianship.

Mr. NETZORG. I think, Senator, that that is eminently true, mainly because the forestry program of the Bureau of Land Management is confined almost exclusively to western Oregon. The Forest Service has forests, has a hundred-forty-some national forests scattered throughout the United States. People are aware of the Forest Service. They respect it; they may know nothing of timber or timber technology. They know Smokey Bear and they respect the Forest Service.

I am being possibly too honest here. I have an old motto, Senator: When in doubt, tell the truth.

Senator NEUBERGER. I think it is true that people have, and therefore the Members of Congress have, many more recreational contacts with the Forest Service than they have with any of the other agencies which deal with timber management. I just don't think there is any doubt about that. Do you have any questions, Mr. Wolf?

Mr. WOLF. I had one in particular, Mr. Netzorg. Do you propose a physical separation of the Indian and Government portions of the land, or just a pro rata distribution of the receipts from the whole receipts?

Mr. NETZORG. Mr. Wolf, I think it is most important that this body of land be held under a unitized, a single management. I think there are problems of recreational use, watershed, water control, and forestry, and to break the land in terms of land management merely because ownership is broken is not something that appeals to me. I think that the best management comes from a single management, that your management ought to be determined by watershed conditions mainly, and contours, and topography, and not by any artificial boundary line which pertains to legal ownership.

Mr. WOLF. Let me rephrase this. The Management Specialists have a tentative plan which would designate a portion of the reservation as the Indian management unit and would put it under a trustee or under some other form of operation. Do you think that a geographical area should be delineated as being the part which belongs to those Indians remaining in the organization, or do you think that—and I am thinking of the event that at some future date Congress might want to change the situation and designate a portion for the Indians—do you think that the predesignation of that would cause a great difficulty in your management plan, as you liquidated perhaps your virgin timber from what was the Forest Service part instead of liquidating it from the Indian portion, or vice versa?

Mr. NETZORG. I am not sure I follow this question.

Mr. WOLF. Are you thinking of a physical separation of the lands so that those which would belong to the Indians are known and those which would belong to the Forest Service are known?

Mr. NETZORG. Yes.

Mr. WOLF. You are?

Mr. NETZORG. For the sole purpose of title and ownership.

Mr. WOLF. The Indians would have title by legal description to definite parts of this reservation?

Mr. NETZORG. That is correct. If the Congress at any time in the future wanted to change the operation, they would have the opportunity at that time to change the operation.

Mr. WOLF. Then would you envision any difficulties from either group if the situation came up where most of the cutting were concentrated on one ownership rather than on the other, in which you would have to reevaluate who had what left in the way of growing stock?

Mr. NETZORG. If that came to pass, Mr. Wolf, I would, of course, anticipate some difficulty. I am not sure they would be insurmountable. They would be troublesome, but it is no greater than the difficulty that would be encountered if we were to change the basis on which the O. and C. revenues are made. For example, today it makes no difference in Multonomah County whether a stick of O. and C. timber is cut in that county or is not cut in that county. It receives revenues based upon the total forest.

Mr. WOLF. And the same is true of each national forest.

Mr. NETZORG. That is correct.

Mr. WOLF. Based on the acreage in each county.

Mr. NETZORG. Senator, I wonder if I might mention 2 or 3 other things which I hope to take up very briefly. I did want to say that we are also persuaded that there is a national interest in this forest, in the maintenance of the forest. The Forest Service recently published the Timber Resources Review. I don't think I need to describe that to the committee; it is a massive study of the forest potentials of this country. It is the view of those who prepared this study, and it was done over many years, prepared over the course of many years and by many persons whose judgments are not subject to casual questioning, it is their view that by the year 2000 we will need for consumption in this country roughly twice the wood products that we are now producing. We cannot, therefore, afford to dissipate this forest, and anything which would tend to dissipate this forest hurts the entire Nation.

There has also been some talk here about values, the value of this and the small sale as against the large sale. Or, if I may translate that into other terms, as against valuation of this forest on a retail basis as against a wholesale basis. There has been some hope, apparently, in some of the statements here earlier, that there could be small sales, thereby maximizing the return to the Indians. I think that is largely not feasible economically.

The mills in this area, it is true, may be able to buy some of the timber, but if they pay retail prices for it, then they cannot afford to hold that timber. They simply must liquidate it quickly, and I represent none of these mills, but I am sure with the economics of the situation as such that the situation I described is applicable to the largest as well as to the smallest of the mills in this area.

If then you are to sell large chunks of this reservation at a wholesale price, some of the companies will be enabled economically to carry it. They may not wish to carry it for long. It would be possible for them to carry it, but at this point the Indians who are entitled to revenues would not be receiving their proper return.

Then I observed also, Senator, that you had mentioned three possible plans. I think returning the permutations, there is a fourth

possible plan, not a plan I would advocate, but I simply wish to mention it for the consideration of the committee. And that is a plan whereby you might sell this reservation off on a wholesale basis with something in the nature of a covenant running with the land to require sustained-yield production on the land, whatever is meant by sustained yield, and it frequently means all things to all persons.

This would result, of course, in a wholesale price to the Indians, and the Congress may then want to consider whether it would subsidize the operation by giving to the Indians the difference between the wholesale price and the retail price.

I think the plan has flaws; I think they are apparent. I simply mention it as somewhat of a coalescence between the public ownership concept and the private ownership concept. It would be private ownership of the timber but the Government would sit on the board of directors, so to speak, of any company that had the temerity to buy the timber.

Basically, the group I represent advocates that this timber stay in public management, in public control. Multiple use will require it, and the continuation of small, independent, free competitive enterprise seems to rest on that basis, a supply of timber available on a competitive basis from the Government. I don't think any other course is going to sustain the same type of private industry as we know today.

That, Senator, concludes my statement, and, if there are any question, I would be happy to answer them.

Senator NEUBERGER. Thank you very much, Mr. Netzorg. I remember when you originally presented your views for the Oregon Council of Churches they aroused great interest; they had great merit, and we appreciate your coming here.

Our next witness will be the Honorable John Kerbow, State represenative in the Oregon Legislature from Klamath County, who, as I understand it, will represent the Oregon Legislative Interim Committee on Indian Affairs, many of whose members we are very pleased to have with us today.

STATEMENT OF JOHN KERBOW, STATE REPRESENTATIVE TO THE OREGON LEGISLATURE FROM KLAMATH COUNTY

Mr. KERBOW. Senator, members of the committee, I have a prepared statement here which is very general, as our committee has met only once, but I would like to present it to you to impress upon you our willingness to work with your committee, or any other agency, in solving this problem.

I have been requested to appear before you today as spokesman for the Oregon Legislative Interim Indian Affairs Committee established by the 49th legislative assembly of 1957.

Before proceeding, I would like to acknowledge to you, Senator Neuberger, and to the members of the committee, the appreciation of residents of Klamath County for the deep concern you have shown for our problem emanating from the eventual termination of Federal supervision of the Klamath Reservation.

As members of the subcommittee may be aware, our legislative group has had time to hold only one meeting to this date, and that for the purpose of organization. We expect shortly to employ staff and get

into operation. Our committee is composed of 7 members; 4 from the Oregon State Legislature and 3 lay members appointed by the Governor.

In our future deliberations, we intend to explore all phases of Indian needs and welfare in Oregon. Necessarily, the committee is deeply concerned with the Klamath situation.

I believe it safe to assume that all members of the interim committee support the proposition that members of the Klamath Tribe who so desire should be permitted to enter fully into the mainstream of our State and Nation. Our major thought is and will continue to be how can this be done without jeopardizing the welfare of any Indian or the vast resources of the rservation, so important to the economy of Klamath County and the State of Oregon.

We cannot, of course, overlook the effect that termination will have on the financial responsibilities to be assumed by the county and State in regard to education, welfare, and increased road-maintenance costs. The welfare expense to Klamath County in the form of Indian children in foster homes even now is substantial. Other responsibilities that, apparently, are to be assumed by our county will also demand our careful attention.

As to the policy endorsed by the committee relating to the final disposition of the reservation lands, we are strongly inclined to favor Federal purchase. But, should the Federal Government fail to adopt this proposal, State purchase would be one possible alternative. But here the cost might be prohibitive. We believe, after 1 meeting, that it would be as difficult for us to sell the residents of 35 other Oregon counties on the possible State purchase of this reservation, it would be as difficult for us as it would be for us, practically, as difficult as for you to convince 47 other State congressional Members, and here the cost might be prohibitive. But, most emphatically, some form of sustained timber yield is to be preserved.

Naturally, the right of members of the tribe to maintain their ancestral homes on the reservation, should they so desire, must be safeguarded by both Federal and State legislation. In fact, the paramount issue at stake is not the reservation as it relates to timber and water and grazing lands, but the human resource itself.

Our committee is determined to get all information available which may be of assistance in arriving at sound recommendations. We hope that such groups as those operating under a grant from the Ford Foundation and including former Oregon Gov. Charles Sprague and Mr. O. Meredith Wilson, president of the University of Oregon, can provide invaluable assistance. And, most assuredly, the members of the Klamath Tribe will be consulted for their views.

The legislative committee is aware not only of its solemn responsibilities, but also of the limitless opportunities available to us in preserving human rights and vital resources.

As I said, Senator, that is a very general statement, but we have not begun our deliberations up to this time. We hope to in the very near future. We have the next meeting scheduled for October 18 in Salem, at which time we hope to employ staff and get underway.

Senator NEUBERGER. Representative Kerbow, I want to thank you very much for coming here today and presenting this very excellent statement. As I see it, the Oregon State Legislative Interim Com-

mittee on Indian Affairs, for which you were spokesman today, certainly has a key role in this situation. That is the reason that I asked Miss Elizabeth Ducey, of my Portland staff, to attend your opening meeting at Salem, which I believe she did, as my representative, because, if the Congress of the United States decides to allow Public Law 587 to stand as the law of the land without substantial modification provided for by this Federal purchase, then, necessarily, the problem is going to become your problem.

Mr. KERBOW. That is very definite.

Senator NEUBERGER. And your legislative interim committee will, it is my hope, follow these matters very closely. I, for one, intend to cooperate fully with the chairman of your committee, and with your full committee, but I am going to see to it, and I know Mr. Gamble will assist me in this, that every single step of the way on S. 2047, with the amendments we are going to make to it, and some very effective and wise amendments have been proposed here today by Mr. Jackson and Mrs. McAnulty and others, but every step of the way of S. 2047, your committee is going to know what is happening in the subcommittee, the full Interior Committee, on the floor of the Senate and in the other branch of Congress. You are going to know of any amendments that take place. I am going to see to it that your chairman—have you selected a chairman?

Mr. KERBOW. Temporary chairman to this date.

Senator NEUBERGER. And your chairman is?

Mr. KERBOW. Senator Quiring.

Senator NEUBERGER. Who is here, also. I am going to see that your chairman and all the members of your committee are kept informed on anything that happens on this, because, as I say, if the people of the other 47 States decide that this is not their problem, and I hope they do not reach such a decision, then the other 35 Oregon counties are going to have to, which you mentioned.

So I am extremely pleased that you have come here. I think your interest is just as encouraging as the very helpful support we have received today from Secretary Seaton and I want to thank you and your associates very much for coming.

Mr. KERBOW. Thank you, Senator, and I am sure I speak for the full committee when we pledge our full cooperation with yours.

Senator NEUBERGER. The next witness is Mr. Dan Brown, representing the Frances Brown Sawmill of Klamath Falls.

STATEMENT OF DAN BROWN, REPRESENTING THE FRANCIS BROWN SAWMILL OF KLAMATH FALLS

Mr. BROWN. I am Dan Brown; I represent an individual as well as my father's sawmilling interests here in the Klamath Basin.

Senator NEUBERGER. Very glad you are here, Mr. Brown.

Mr. BROWN. I am a citizen of this county. I am an individual out here trying to create a home and security for myself and my family. I find that due to many reasons in the last 10 or 15 years it is continually and increasingly becoming more difficult to do that. Not only from the standpoint of the regulations, both State and Federal and otherwise, that the small individual operators are being put under and have to cope with, all the way from your Forest Service, your

Bureau of Land Management, your tax laws, and everything else down the line, to your State trucking laws, it's getting to the point where an individual out here can no longer have an incentive to go ahead and create a home and security for himself and his family.

Now, I bring that issue up for this reason: I think that it fits very well to the occasion of the situation that is occurring up here on the Klamath Indian Reservation. We have a group of people there that wish to maintain their place in this State and in this country that were here a long time before we were. These people, it seems to me, are being handled and rousted about in a manner that they have very little to say about.

Now, you, as Government people here are trying to cope with the problem that exists here. The Indians are trying to all fit together some type of a solution to it, and yet we are taking land and actually saying that we can do what we please with it when it belongs to the Indians. We can do this; we can liquidate it; we can sell it; we can turn it over to the Forest Service; we could possibly give it to the Bureau of Land Management. Who says it's ours to give? Why is it ours to give? It belongs to the Indians. It's their asset. We have to live with that asset. I live right next door to it, within a half a mile of the Indian reservation, and I probably will have to live with the problems that are created by this discussion here and any legislation that comes about due to it or that has anything to do with the reservation.

Senator NEUBERGER. What specific program do you recommend that we propose to the Congress?

Mr. BROWN. I will put it this way: I am going to put out a few stumbling blocks that I see rather than a recommendation. I feel that there are a great many more qualified men here that are making recommendations that you will undoubtedly take into consideration.

First, I am going to swing it with O. K. Puckett on the Forest Service. I have several members of my family who are old men in the Forest Service and I respect them very much, and the Forest Service has done a great many fine things in this community, but I do say some of their practices are so either antiquated or hobbled up with redtape that your local men here who are trying to do a decent job of forestry cannot do it.

There is enough timber going to waste right here in Klamath County that has died within very few miles of these local mills that would keep several of them operating, and there seems to be no way that that timber can be placed on the market economically through their marketing methods.

Now, the normal reason that they give you is that they don't have men to administrate these small sales. Now, I don't say that isn't true, but my opinion is this: That if there was some way to eliminate a lot of redtape they have got to contend with, they could market those small tracts of timber, they could put them on the market, so instead of bugs and rot eating that timber, it would be utilized, it would be better if they gave it away so that somebody got the benefit of that instead of saying they are looking after the people's interests.

Senator, I can take you out here and show you enough timber within 50 miles of here that is dead and dying and rotting and falling down that is doing nobody any good. Now I will go along with the Forest

Service on a lot of practices. They have treated me all right. I am operating presently on two Forest Service sales myself. One of them is a good example. It took 2 years of Government redtape to get a fire sale up here that came up August 26 of this year, and burned on Labor Day 2 years ago. It took 2 years to get that on the market. That timber has deteriorated and bugs have gotten into it, a certain amount of rot has gotten into it, and if that is good forestry, I can't see why it should take 2 years to get one little 2-million-foot sale up to the people where they can get the utilization of it.

I bought another sale that laid there and rotted because it took too long to utilize a road right-of-way sale to get it on the market. There was just too much redtape to it, so the timber was half depreciated, the value of it was 50 percent of what it was when it was originally felled because of Government redtape of getting it on the market.

Now, I don't say that that is the fault of the Forest Service. I don't know whose fault it is, but I know the condition exists and it should be changed.

If you are considering turning this reservation over to that agency, I certainly think that there should be some way of streamlining their timber process so that the timber that is going to waste and the timber that is dying can be gotten to market before it is absolutely gone. It is of no value to anybody after it lays there and rots and so forth to the point where the commercial value of it is nothing.

Now, in reference to the Indian reservation up here, you've got a great natural resource there that belongs to the Indians. I don't see why they are not capable, just as capable as you or I, of handling their own assets in a manner that they will not be liquidated overnight, in a manner that they will be able to receive the utmost value for their property, in a manner that their——

Senator NEUBERGER. How would you suggest this be done? That is what I want to know.

Mr. BROWN. All right, I will have one suggestion. I would say this: That any time you throw into the hands of the Federal Government the manipulation or the handling of the property of individuals, you are adding costs, you are adding expenses, and lots of it. It seems as though every time we tie up either State or Government control of a situation, we end up paying a bill to get the job done and then we wonder whether it was the right thing to do.

I don't think any private concern out here could exist under it and exist at a profitable basis. They couldn't stay in business if they operated under the auspices or the type of management that we get from a great many of our local and State and Government agencies. They would be broke before they started.

Senator NEUBERGER. What should be done with this timber?

Mr. BROWN. I think there is no reason why the Indians can't, as a people, as an organization, why they can't handle their timber and sell it on a sustained-yield basis so that they benefit from it from now on, so that the county benefits from it from now on. I think when we stick our Federal Government in there we are going to lose two-thirds of it just like we do our tax dollar. The Indians are going to lose two-thirds of it. Our tax dollar by the time we get through with it doesn't do the people enough good to wonder about it.

Senator NEUBERGER. Let me just say this to you, Mr. Brown. I happen to be a Democrat, and your tax dollar is being spent by a Republican administration, $68 billion of it. But I would like to say to you that despite that fact, I think you are getting pretty good value for your tax dollar. The easy thing for me to do would be to agree with you. But, I would say that you probably get as good value for the tax dollar you send to Washington, Salem, and Klamath County as for anything you pay for. You get all your police protection and fire protection. You get the county roads and the State highways and the Federal highways you drive on. You get protected from aggressors that are loose in the world today. You get your public health protection. You get your schools and your State colleges and your libraries and your clinics and your mental hospitals and your prisons and your courts of law. And, as I say, the easy thing for me to do would be to agree with you because about 80 percent of your tax dollar is spent by a Republican administration.

But I have seen both Republican and Democratic administrations in action and I would say that I think that your statement is just not a true generalization.

Now, I want to remind you of several things you said about the incompetency of these people marketing your timber.

Mr. BROWN. I didn't say, Senator, that they were incompetent.

Senator NEUBERGER. You said a poor job was being done.

Mr. BROWN. I said there is some redtape or something that creates a tremendous problem there that they can't seem to get sales up in time. They can't seem to get them up before the timber is gone to waste. There is something there that should be straightened out.

Senator NEUBERGER. Let me tell you a few facts about that. To begin with, the administration has just held back $500,000 for timber sales which was appropriated by the Congress, at the order of the Budget Bureau. Secondly, Senator Morse and I secured authorization for $3 million or $4 million more for timber access roads than the administration was willing to request funds for. Third, I was the sponsor this last season of the Congress of a bill to provide for an 11-percent pay increase for Federal employees so we could hold some of the highly-skilled technical foresters and others in our Forest Service to keep them from going to much higher paid jobs in private industry, and the President vetoed the bill after we had passed it.

Now, the thing I wish you would do is this: I think if you want to complain about Government in general and how they waste funds, that is certainly your right as an American citizen, but that isn't going to hasten the solution of this urgent problem that hangs over our heads. You know that. I mean the easiest thing in the world to do is to complain about Government, and if I wanted to make partisan hay I would sit here and help you as a Democrat complain about the Republicans spending our tax dollars, but that isn't going to solve this problem hanging over Klamath County.

Now, how would you suggest that this great block of timber belonging to the Indians which is in this highly controversial state with the forced sale hanging over it, what would you say should be done about it specifically?

Mr. BROWN. I don't see where it's the Federal Government's business, to be frank with you. I don't see where it is the Federal Government's business. It belongs to the Indians. It's their property. If

I owned a piece of property I wouldn't like Uncle Sam coming in here and telling me "You're going to do so and so with it." I think we are stepping way out of line in saying that it is our property to do with. That is what we are actually assuming, that the Government assumes that they can take that property and do as they see fit with it. I think we are getting out of line.

Senator NEUBERGER. Do you think that Management Specialists should sell it and turn the proceeds over to the Indians immediately?

Mr. BROWN. Senator Neuberger, why can't the Indians manage that as an asset the same as you and I would manage it? Can't they manage their own assets as any American citizen would manage their own assets?

Senator NEUBERGER. What would you suggest we do? What specific step right now?

Mr. BROWN. I think turn it over to the Indians and let them manage it under a capable supervision so that they can liquidate it as they see fit without depleting the entire area. I think that it should be sold as any other asset. I don't think that you should go in there and clear cut it; I don't think you should go in there and gut the water resources of the area or anything else. But I think it is definitely a private asset and I think that the Government is getting way out of line by going in there and saying that we can take that from these citizens and we can do what we think is best with it.

Senator NEUBERGER. You think, in other words, it would be better to turn it over to the tribal council to dispose of as they see fit, in any way they see fit, rather than to back my bill that seeks between $100 million and $150 million to reimburse the Indians and then to have it managed on sustained yield by the Federal Government? You would prefer the first alternative?

Mr. BROWN. Senator, I prefer this: I prefer to get Government out of private enterprise just as fast and as quickly as we can, any way we can. If this is one way of doing it.

Senator NEUBERGER. You are not answering my question. What should we do specifically with this? Would you want it turned over to the tribal council for them to handle just as they see fit?

Mr. BROWN. I don't know enough about the tribal council to know who they represent or anything else, but I do know this: I do know that they are citizens that own that property and I do know that the Federal Government is trying to say "Should we do this with it? Should we do that with it?" How do they assume that right? Why do they have that right to do this or do that with a citizen's assets?

Senator NEUBERGER. Mr. Brown, let me tell you this.

Mr. BROWN. That's what I'm saying.

Senator NEUBERGER. This problem is not of my making. This bill, which I find that very few people really knew about in this county, at least so both Indians and whites have testified today, was put through Congress by my predecessor in office whom I ran against, and the President was urged to sign it by the Secretary of Interior, Douglas McKay, who is not a very close political associate of mine. What I am trying to do now is to bring some order out of chaos in this situation in Klamath County.

Now, if you have a specific suggestion that can help me, I certainly welcome it. But what should be done with this specifically? It is

easy enough to say "Let's get Government out of business," but the United States Government since the time that Lewis and Clark went West has been a custodian for a considerable number of resources of the Indians. What I am trying to do, and my associates want to do if we can do it, is to find some means of securing the maximum price for the Indians that will not uproot the economy of Klamath County.

Now, when you say turn this over to the Indians, by what machinery? To what Indians? Who should handle it? What Indians should get it? How quickly should they sell it? What restrictions should there be on the sale, if any? You live here in the county. You have your economic stake here. What specifically do you propose?

Mr. BROWN. I propose this: That it be handled in such a manner that there is not complete devastation of the natural assets up there.

Senator NEUBERGER. Well, you have just said the Indians own it. Supposing they want to devastate it. Do you want to stop it? You said we shouldn't interfere.

Mr. BROWN. I have never said that they or anyone in their rightful mind should devastate it. They have their lives to make here in Klamath County. They live here in the county and probably will from now on. They want to make a living. The way that reservation has been handled up there all the incentive of a young Indian to go out here and make a home and security for his family has been taken away from him. You'd just as well sell him down the river as to handle his affairs the way they have been handled.

Now, you say what to do with it. There are 2,000 Klamath Indians up there that know what they want to do with it. They can organize among themselves and decide what to do with their own assets.

Senator NEUBERGER. Were you here this morning?

Mr. BROWN. Yes; I was.

Senator NEUBERGER. Did you hear the three representatives of the tribal council testify that they favored Federal purchase?

Mr. BROWN. I did. That doesn't mean I favor it.

Senator NEUBERGER. But you have just said that you are interested in the Indians, but you want to superimpose your views on that.

Mr. BROWN. I do not. You asked for my opinion. That is all I am expressing here is the opinion of an individual in this county as to what I think should be done.

Senator NEUBERGER. Are you saying that I, as a United States Senator, should set myself or your views against those of the three representatives of the tribal council who came here and gave their views and who, in my opinion, testified very effectively, very wisely, and who represent these Indians?

Mr. BROWN. Well, if that is what they want, that is their business. I am expressing my opinion as a citizen of this country. I think that we are continually putting more and more land under the Federal ownership. I think that our tax burden on the private individual here in this county is going up, up, up. I don't see how he can continue to assume more and more responsibility and exist. That is the point I am trying to get across.

Mr. WOLF. Do you want the Indians to get what they want, regardless of what you want them to get? That is the only question, I think.

Mr. BROWN. I think that is a very fair question and I think that

if you could get an absolute representative answer from all the Indians, I would go along with that.

Mr. WOLF. Whatever they want to do by a majority vote, would that be all right?

Mr. BROWN. I don't think you are getting a representative answer from all the Indians. Ithink you are getting a very split opinionated deal up there. That is what I think just observing it from an outside standpoint. I think there are lots of factions up there bucking each other.

Senator NEUBERGER. How would you solve that?

Mr. BROWN. The only way I know is to get sufficient representation of the Indians, all of the Indians, to get an actual vote or whatever you want to call it, to put it right on a ballot where you get enough majority of those people to vote so you know you are actually getting representation from them.

Mr. WOLF. In other words, if they voted this by a majority vote, you would say that's fine; if a minority vote prevailed, you wouldn't like it?

Mr. BROWN. If they say that is what they want to do with their assets, that is their business, yes, sir.

Mr. WOLF. I think that answers it.

Senator NEUBERGER. In other words, I gather that you do not have faith in the tribal expression of the Indians as has been voiced through their existing machinery.

Mr. BROWN. I reiterate what I said before. I think that there are factions up there that are bucking each other, and I don't think you are getting an absolutely true representation of the entire Indian people. No, sir, I don't.

Senator NEUBERGER. If you were a Member of the Congress, would you try to follow as best and as nearly as possible in the public welfare an expression of the Indians as made through their tribal executive committee?

Mr. BROWN. I am not qualified enough to answer that, Senator. I have lived right next to it all my life, and I have heard so much bickering over there that I don't know who is right and who is wrong.

Senator NEUBERGER. But I do hope you at least have noticed today that the tribal executive committee's three spokesmen did say that they favored this Federal purchase bill. You did notice that?

Mr. BROWN. I think they favored it as a last resort to save the possible quick liquidation of the reservation. Isn't that right?

Mr. WOLF. Senator, Mr. Jackson just advised me that the Indians in general council, that would be all of the Indians who attended the general council by a majority affirmed the principle of Federal purchase. Now, whether that was a majority of all the Indians in the tribe, I don't know, but it was a majority of all of them at a tribal council which was called and was legally done and properly done.

Mr. BROWN. Well, the whole problem as I see it, gentlemen, is getting the representation to start in with. The next thing is to respect these people's rights. They own that land, and we are trying to just take that and do what we want with it.

Senator NEUBERGER. Mr. Brown, we are trying to get a great deal of money from the taxpayers of the United States to reimburse the Indians for that.

Mr. BROWN. I realize that, and I think that that is something that is no business of somebody back in New York. I don't think it is any business of somebody in Florida. I think this problem exists right here locally in Klamath County.

Senator NEUBERGER. Then do you think the money ought to be raised locally?

Mr. BROWN. I think the money is right there in assets and I think if it is handled properly nobody has to dig up the money to buy it. The assets are there and if they are properly handled and liquidated over a period of years, as any perishable asset should be handled, it will stand on its own feet.

Senator NEUBERGER. And you think the Indians would be satisfied to receive their funds over that period in that way?

Mr. BROWN. I think that they would be much better off if they could handle their assets so if they want to create employment for their own people by putting in, for instance, a plant of their own, or selling to small plants on the reservation, or selling to Klamath Falls, whatever they want to do to enhance their own welfare. If you would take those points into consideration when you go ahead with this problem, I think it would help. But I think we are forgetting that each and every one of those people up there has an individual problem of creating a home and some incentive for his children to work and to build and so forth, and I think when you just grab a million dollars out here in your hand and say, "Here, you've got a big asset," what good is a million dollars, Senator? It isn't worth a damn unless you can create some incentive for that individual to go out here and work, create some incentive for him to have a home and security for himself and his posterity.

Mr. GAMBLE. Senator, may I ask a question, please? Mr. Brown, are you familiar with Public Law 587?

Mr. BROWN. Just in the fact that it was originally intended for termination of Federal control and it seems as though it has been twisted around since to liquidation of the reservation. That is my outward opinion.

Senator NEUBERGER. Who twisted it around?

Mr. BROWN. Well, that is a discussion. If you ask somebody on the street what they think about it, they say, "Are you in favor of liquidation?" I'd say I didn't know that was the problem. I thought we were terminating Federal control.

Senator NEUBERGER. Have you read the law?

Mr. BROWN. Not thoroughly, no, sir, and that is why I say that is all I know about it is what you hear and read.

Senator NEUBERGER. I think you know that the law provides for sale of these assets, don't you?

Mr. BROWN. Yes, I do. And that apparently was the only way they could see, and I agree with you. I don't think that timber should be thrown on the market in any few months as the termination plan is left here, if it is left the way it is now. I think that the Indians won't receive anywhere near fair value if you throw 4 billion feet of timber or whatever there is up there on the market overnight.

Senator NEUBERGER. That would have happened already if we hadn't succeeded in postponing Public Law 587.

Mr. Brown. Yes, and I agree with you there. I think you are absolutely right, and I think that is at least a 50- or 100-year program up there. I have heard several discussions of 15- or 20-year liquidation today here. There is probably not too much less timber up there now than there was when they started cutting it through growing and sustained yield and so forth. I think that should go on from now on. We don't want to liquidate it in 6 months.

Mr. Gamble. The tribe says they don't want to do it.

Mr. Brown. They want to liquidate it overnight?

Mr. Gamble. That is what the Stanford research organization found out when they interrogated the Indians about what their intent was. The law is very clear. It says you may manage this thing in any way you see fit. You can form a corporation; you can put it in the hands of a trustee; any way you want to do it. The United States is not going to dictate to you. We are not going to say we are going to take the land or X is going to get the land. You make the decision. The Indians have decided. They say "We want to get rid of it," in essence. "We want it sold off. We want our money in hand." Now, whether that is a correct decision or not I am not about to say. It goes right back to the first point that you made. It is private property. It is their decision to make. But as the Secretary of the Interior pointed out in his letter, there are other considerations to be taken, to be given thought, such as waterfowl and the various things that he brought out.

I personally feel that these people ought to keep this reservation intact and ought to keep it under some kind of a trust arrangement. I think the Management Specialists, in the proposal they have submitted for the management of residual portions of the reservation after the election is over is a pretty sound operation. These people have for years and years, and the hearing records are very clear on this point, been extremely critical of the Bureau of Indian Affairs and the way this reservation has been operated. The Government, through the Congress, has said, "Fine. If you are dissatisfied, we hand it to you and you operate it the way you see fit."

So that I think the Congress has been extremely liberal in trying to help them help themselves to do what they want to do. The difficulty comes now that we have run into a very serious effect that can result if all of this property is disposed of in the short space of time of 2 years.

Senator Neuberger. You see, that was the schedule set up in Public Law 587, and that is what we have been operating under, and we had difficulty in persuading Congress to even give us a little bit of extension of time.

Mr. Brown. Well, I understand that very clearly. However, I think that any time that we can some way—I honestly say this from a standpoint of an individual out here trying to maintain a small business in our present setup today—I think that any time we can eliminate any more Federal control or State control or redtape that is being heaped on the people who exist in this country today, we are going to be better off.

Now, I don't know why, but when I was a small boy about 15 years old, we could tend to all of the bookkeeping that was necessary to run a ranch and to run a small milling operation, we could tend to it, prob-

ably devote a day a month to it. I have got a mother who is a college graduate. She devotes her full time to keeping up with reports, regulations, public utility commissions, industrial accident commissions, and a thousand and one items that have been thought up and passed through our laws of the State and the country that it takes a full-time bookkeeper on a very, very small operation such as ours to keep everybody happy.

And, fellows, that is just too much of a load for any individual. Every man down the street here in Klamath County is hitting the same thing. He's got so darn many reports to make out that are irrelevant, they get shoved on a shelf somewhere and he just can't stand any more of that load.

You are asking him to dig up a hundred million dollars here to buy this timber up here. That timber can stand on its own feet. It is a good asset. There is no reason for the taxpayer to have to dig up that money to buy that timber. That timber can furnish the money to the Indians as it is liquidated, and if we liquidated it, they would get just as much money over a period of years, and if they want it sooner, that's their business.

Senator NEUBERGER. I will make a prediction to you that the testimony you have given here today will be quoted on the floor of the United States Congress by those who are opposed to this bill and who do not want to appropriate Federal funds to buy this reservation.

Mr. BROWN. I hope they do.

Senator NEUBERGER. And I think it will be quoted, in my opinion, to the adverse welfare of Klamath County and the State of Oregon. You have a perfect right to make it as an American citizen and I am glad you came here and made it, because that is the great privilege you have in this country. But your testimony will be quoted by those men from 47 other States who do not want to vote their taxpayers' money to buy this reservation so that the Indians can receive their funds at as early a date as possible and so that this great resource can be preserved intact for the future welfare of Klamath County. And, although you have a perfect right to make it, I will venture that prediction, that your testimony will be very useful to those who are opposed to this bill. So if you are opposed to this bill, I think you have certainly done a good piece of work today.

Mr. BROWN. Well, I am certainly opposed to the Federal Government assuming any more land in the State of Oregon whatsoever, whether it is for wildlife, Forest Service, or Bureau of Land Management, or anything else. I don't want any more Federal or State land bought anywhere. We have got too much of it in this State now. We can't even step out of our back yard without being on Government or State-owned property, and it isn't holding its own. The rest of the State has to support the State on the little portion that is privately owned. I don' want any more Federal land or State land. We have got too much of it now.

Senator NEUBERGER. Well, let me just say this to you: That if this bill fails, and the Management Specialists, Mr. Watters and his associates, have to liquidate this timber starting next August, in a hurry, why, I would say you would get your wish then and there won't be any more federally owned land in this county.

Mr. BROWN. I think there are other alternatives that you men are spending hours and hours and hours working up. I don't think you have the answer. Now, you want an honest opinion of an individual out here, I don't think you have the answer. Now, if that is wrong, if I am creating a lot of opposition for you, I'm sorry, but I have never had the opportunity to say what I feel where it might get to the floor of Congress, and if it does, I feel I have accomplished something with one man's opinion.

Mr. WOLF. How much timber have you bought from the Indian reservation in the last 7 years?

Mr. BROWN. I have never bought one stick of timber from the Indian reservation. I have lived right next door to it.

Mr. WOLF. How much do you propose to buy if this reservation is put on the market in 1958?

Mr. BROWN. It all depends upon the economic conditions of the time. In other words, if I can create a living for myself by buying a piece of this Indian timber, I would be happy to buy it and put it through our sawmill and sell it the same as I would any other commodity.

Mr. WOLF. How much timber does your mill cut a year?

Mr. BROWN. I would say we usually cut on the average of 2 million to 3 million feet.

Mr. WOLF. What percentage of the output of Klamath County is that?

Mr. BROWN. Very small; doesn't even scratch the surface.

Mr. WOLF. Would you operate the timber you bought on a sustained yield basis?

Mr. BROWN. Not so far. We have had no other than our own timber that we owned on the ranch. We have had no lands that were suitable for sustained yield operation.

Mr. WOLF. If you bought land on the reservation as a result of this sale would you plan to operate it on a sustained yield basis?

Mr. BROWN. If financing were available to do that, I would be very happy to.

Mr. WOLF. How much timber would you have to acquire to get a sustained yield basis?

Mr. BROWN. I would say—you mean for our entire cut or for just one piece of timber over there?

Mr. WOLF. For the entire cut for your mill.

Mr. BROWN. For our entire cut we would probably have to have at least 25 million feet to take the high risk out of it as a period of time went on and on the cut, the virgin stand, in other words, maintain the same amount of timber there at all times.

Mr. WOLF. If you are cutting 3 million feet a year, 25 million feet would last you how may years?

Mr. BROWN. Long enough for me to make a living on it. There is enough of it dies in 25 million feet of timber to run our mill.

Mr. WOLF. That would be 8 years' cut. Is that sustained yield in your definition?

Mr. BROWN. No, sir. Your timber is going to grow enough on a 25 million feet unit, if we were capable and had financing to buy it, I think we could sustain our operation and have sustained yield after we had run a considerable number of years.

Senator NEUBERGER. I want to ask you something, because I think this is at the heart of one of these problems. Do you know Mr. Watters, chairman of the Management Specialists?

Mr. BROWN. I know of him.

Senator NEUBERGER. Do you know Mr. Favell?

Mr. BROWN. No; I don't.

Senator NEUBERGER. I think both of them are businessmen and very conservative Republicans in this community and Lakeview, if I am not mistaken of their background. I think both of them strongly recommend and have recommended, and did so here today, Federal purchase. Do you think they don't believe in free enterprise?

Mr. BROWN. I don't know their opinions, sir, other than what I have listened to and read, and I don't disagree with them. I don't say they are wrong. I am expressing my opinion from my standpoint. I may be wrong, but you are trying to collect a great many opinions here today.

Senator NEUBERGER. And we are glad to have your opinion.

Mr. BROWN. And naturally some of them are going to be wrong or they would all be the same opinion. Therefore, maybe I am one of the wrong ones that are wrong, but I am going to have an opinion in there, and Puckett is going to have one, but maybe he's wrong, but he expressed it and I think that is the responsibility of the citizens of this country, whether he is right or wrong, to get up and say something. If we lose that, we have lost everything.

Senator NEUBERGER. We are very glad you came today and we appreciate your views. Thank you, Mr. Brown.

(By direction of the chairman, the following letter and enclosure were made a part of the record:)

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Portland, Oreg., October 23, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: This letter is in response to your request made at the hearing at Klamath Falls, October 2, for background information on Mr. Dan Brown's statements derogatory to national forest administration.

Mr. Dan Brown and his father, Francis D. Brown, own and operate a stock farm and small sawmill and logging business adjacent to the east boundary of the Rogue River National Forest, about 10 miles south of Fort Klamath. Dan's grandfather and uncles homesteaded and owned land in this vicinity long before the national forest was created.

Our files record frequent difficulties in administering transactions with the Browns. Fees for grazing permits, special use permits, and payments on timber sales have been collected in many instances only after prolonged effort and argument. Operation in advance of executing the contract or bond, and disregard of contract terms, also have been a problem.

We have a voluminous file covering the trespass and collection for a small volume 30.75 thousand board-feet) of pine cut in 1950 by Francis D. Brown on national forest land without benefit of permit. The record indicates Dan Brown participated in this operation. Settlement was delayed several years during controversy over the proper location of the property lines at point of trespass. A resurvey showed Brown's alleged location to be in error. The case finally was settled by Mr. Brown paying in 4 installments the appraised stumpage value ($451.41) for the timber cut. Final payment for this small quantity of timber was not received until May 2, 1955, more than 5 years after it was cut.

Over the years the Browns have been applicants for unadvertised timber sales. Several such sales have been made to them. They appear to hold the

view that timber close to them should be sold to them without competition. We have been unable to convince them that the law required advertising and competitive sale of timber in excess of $2,000 in value, and that our policy of informally advertising any sales under $2,000 in value where there is more than 1 party interested is equitable.

This summer we were obliged to cancel a special use permit for a summer home lot held by Dan Brown. The reason for cancellation was failure to comply with the requirements for initiating construction during a stated period, and continued failure to pay the stipulated annual rental.

Concerning Mr. Brown's complaint of Forest Service delay in sale of fire-killed timber, I believe he was referring to the Gardner Peak fire salvage. Some delay in selling this timber did occur, but there were some reasons for the delay. The economic value of the timber was not great, and the economic loss due to delay seems to have been slight. Our supervisor and ranger do not recall that there were any applications to purchase this timber at the time it was killed or later. They have been unable to find any support for Mr. Brown's statements at the hearings that he applied for it immediately after it was burned. In fact, Ranger Cooper and Supervisor Brown both were surprised when he bid on the sale. They had assumed he was not interested in logging this year, since he had made no effort since February to operate a sale of 150,000 board-feet of Ponderosa pine bought by him October 8, 1956.

The pertinent facts on the Gardner Peak fire salvage sale are as follows: Timber was killed by fire in September 1955. It started from a dry lightning storm that set numerous fires in southern Oregon and northern California during a period of extreme fire danger. This particular fire was located entirely in high mountain country within the Sky Lakes limited area, a relatively inaccessible area tentatively withdrawn from commercial use for possible eventual classification as a wild area. The timber was a low-value stand of high-altitude mountain hemlock and Shasta red fir, with occasional short white pine.

The actual mopup of the fire was completed by the fall rains and early snows. High-elevation heavy snow prevented further work on the area until well into the summer of 1956 when cruising and road location work was done. Due to pressure of other work at that busy time of year, the appraisal was not made until October 1956. It indicated negative values. It seemed doubtful whether an economical operation could be made of salvaging this timber. In July 1957, the demand for this type of timber appeared to be improved. Review of the appraisal indicated a stumpage value of $2 per thousand board-feet, provided road requirements were limited to a temporary road that would serve for removal of the material in short log form. Timber on the burned area was advertised for sale at $2 per thousand on July 29, 1957. We were pleased to have the timber sell at all, and quite surprised when Brown bid it up to $6.85 per thousand. We hope he is successful in his operation. Ranger Cooper advises a check of scale books shows less than 1 percent defect in logs removed to date.

Mr. Brown was critical of Forest Service arrangements for scaling. We get the impression he would like us to accept his scale for timber taken. Scaling provisions in his sale are the same as on other similar-size sales on this forest; i. e., Forest Service will provide continuous scaling as long as the operator is presenting logs for scaling at the rate of 12.5 thousand per hour. (Scaling this much per scaler hour is the basis for scaling cost estimates in budgets.) If production drops below this rate, the purchaser is to stand increased costs of scaling due to lower production. Brown has not produced at this rate, but until recently Ranger Cooper has arranged to have a scaler available at no cost to Brown, by having a scaler work on other nearby projects between loads. This arrangement was made at some sacrifice to other projects and could not be continued.

Regarding Mr. Brown's allegations that the Forest Service would not sell him timber even though quantities of dead and dying national forest timber is visible from his place.

1. The forest has sold him timber. Attached is a list of sales to him.

2. The forest has been selling timber up to the allowable cut of the Klamath working circle. Reinventory planned for fiscal year 1949 may furnish a basis for increasing allowable cut somewhat.

3. The forest has not had manpower or roads to handle the salvage sale of all trees as they die in the undeveloped virgin portion of the forest. The area adjacent to the Browns happens to be the largest uncut block of virgin timber in the Klamath district. Present plans will result in timber sales covering this

area with light partial cuts within the next 10 years. This program will permit development of a road system.

We hope this information will be of assistance to you in appraising Dan Brown's statements.

Sincerely yours,

J. HERBERT STONE, *Regional Forester.*

Following is a list of sales made to either Francis Brown (father) or Dan Brown (son) who work together:

(*a*) Bureau of Reclamation sale, October 8, 1956. Volume: 150,000 board-feet. Price bid orally by Brown: $40.10 per thousand. Volume removed to date: 20.04 thousand board-feet. No more timber has been removed since February 1957. Original expiration date of contract was December 31, 1956. Extension was granted to December 31, 1957. It appears as present that the requirements of contract will not be satisfied or volume removed before December 31, 1957.

(*b*) Old road salvage sale No. 1, August 12, 1955. Volume; 101.93 thousand board-feet.

(*c*) Old road salvage sale No. 2, August 12, 1955. Volume: 192.71 thousand board-feet.

(*d*) Section 2 salvage, October 4, 1954. Volume: 14.88 thousand board-feet.

(*e*) West side highway, May 14, 1953. Volume: 32.89 thousand board-feet.

(*f*) Nannie Creek Salvage, August 14, 1953. Volume: 72.65 thousand board-feet.

(*g*) Class A sales: 1. December 1, 1954: 10.8 thousand board-feet ponderosa pine. 2. May 15, 1953; 12.3 thousand board-feet Douglas-fir and ponderosa pine. 3. April 24, 1953; 12.8 thousand board-feet white fir and ponderosa pine.

Senator NEUBERGER. The next witness is Mr. Maurice Strantz, the manager of Tule Lake Irrigation District.

STATEMENT OF MAURICE STRANTZ, MANAGER, TULE LAKE IRRIGATION DISTRICT

Mr. STRANTZ. Senator Neuberger, I have a statement here which is really Mr. Anderson's statement, the president of our district, and I would like to have it appear as Mr. Anderson's statement, and a resolution attached to it.

Senator NEUBERGER. Yes. We have seen the resolution and we would be glad to have both Mr. Anderson's letter to me and the resolution of the Tule Lake Irrigation District appear in full in the record.

(The documents referred to appear following the oral testimony of Mr. Strantz.)

Mr. STRANTZ. I would like to mention just a couple of collateral facts, Senator. We are the largest irrigation district on the Klamath project, and we are in California; we have a line across the line in California. We are also the low point of the project and collect the bulk of the project return water, and as a result we are interested in the runoff of the basin, particularly the reservation.

I would also like to mention that we are members of the Klamath Basin Water Users Protective Association, and our recommendations are not substantially different from theirs, except that our directors do feel very strongly that they favor private purchase, if at all possible.

Senator NEUBERGER. Private purchase?

Mr. STRANTZ. Yes. As much private financing as possible. We also would like to take a position with regard to the upper Klamath marsh, in which we would like to see that marsh not turned over to the Fish and Wildlife Service at the present time. We don't believe that

at the present time there is any justification for additional land for the Fish and Wildlife Service, but we have supported in other instances studies by both the Fish and Wildlife Service and the Bureau of Reclamation looking toward the authorization either of a joint project or of either a wildlife project or a reclamation project.

Senator NEUBERGER. Do you disagree with Secretary Seaton's observations in his letter to me that this marsh is the major waterfowl nesting area in the country presently unprotected?

Mr. STRANTZ. Well, I am certainly not in the position that Secretary Seaton is to know the problems of the country.

Senator NEUBERGER. Why are you opposed to it being taken over by the Wildlife Service?

Mr. STRANTZ. I was just about to mention, our district embraces the largest refuge in the upper Klamath Basin, the Tule Lake refuge. Our refuge protects an estimated two-thirds, 60 percent to two-thirds of the birds of the basin. We are having quite a controversy with the Wildlife Service over that refuge, because the refuge was developed exclusively by Reclamation funds and not by Wildlife funds, and we feel that the time has come for the reclamation development in that area. The laterals and drains are all in, and we believe there are adequate lands of poorer quality, of quality adequate for wildlife purposes but of poorer quality for agricultural purposes outside of our district, and at the present time, I believe there is something in the neighborhood of 20,000 acres that the Fish and Wildlife Service now has in refuges which are relatively undeveloped, or almost completely undeveloped as wildlife refuges.

For example, their Upper Klamath Lake refuge is almost completely ineffective. They don't even collect statistics on the protection that they afford birds in that area. They have almost a third of their lower Klamath refuge that is unprotected, and for those reasons we would like to see them develop the land they now have before they get additional lands. That is very simply our position.

Senator NEUBERGER. Thank you very much.

Mr. STRANTZ. I would like to point out one other fact. You asked about public hunting. From a fourth to a third of the Tule Lake refuge is open to public hunting.

Senator NEUBERGER. I am glad to have that. Thank you very much for coming here.

(The documents referred to by the witness are as follows:)

TULE LAKE IRRIGATION DISTRICT,
Tule Lake, Calif., October 1, 1957.

Hon. RICHARD L. NEUBERGER,
Chairman, Indian Affairs Subcommittee,
Senate Interior and Insular Affairs Committee,
Washington, D. C.

SIR: The Tule Lake Irrigation District has adopted the attached resolution with regard to the termination of Federal control over the Indian lands in the upper Klamath River Basin. As an irrigation district receiving water from the Klamath project we are naturally interested in the disposition of public lands in our watershed. We have reviewed the hearings and material presented by the Management Specialists and we certainly agree that good forestry management will contribute to the maintenance of the resources and economy of the upper Klamath River Basin and thus the Indian lands should not be disposed of in a manner that would encourage the clear cutting this stand of timber.

We do believe that the Management Specialists are saying on the one hand that the only way to get the maximum value out of this land is to sell it off

in many small tracts and at the same time they are saying there is not an available market for many tracts of such land.

We would like to observe that the Indians themselves have asked for this termination program and that at the present time the payments to the Indians are supported by a program of forestry management based upon a sustained yield. We do not, therefore, believe that the Indians would be penalized by requiring a sustained-yield management when the tracts are sold to private interests. We also believe that it can and should be financed by private enterprise and thus the land returned to the tax rolls.

We are also troubled by section 30 (b) of S. 2047 which provides for the transfer of the lands of the Klamath Marsh to the Fish and Wildlife Service or the Bureau of Wildlife and Sports Fisheries. We believe that the Bureau of Wildlife and Sports Fisheries have adequate lands at the present time in the upper Klamath Basin. There have been no reports presented indicating a need for this additional land for wildlife purposes.

We believe that a proper solution for these lands is for the Bureau of Reclamation and the Bureau of Wildlife and Sports Fisheries to prepare reports requesting authorization of projects. Upon completion of these reports, if there is a conflict of interests between the two reports, the Congress, with the advice and counsel of the people in the upper Klamath River Basin should decide which development should be made. We do not believe that at the present time there is adequate information to indicate that there should be a reclamation project or a wildlife development in this area.

I appreciate the opportunity for us to present our views on this matter.

Very truly yours,

SAM ANDERSON,
President of the Board of Directors.

RESOLUTION

Whereas the Tule Lake Irrigation District receives its water supply from the works of the Klamath project including upper Klamath Lake, and

Whereas the water supply in upper Klamath Lake is affected by the runoff of its tributaries particularly the Williamson River, and

Whereas the Williamson River arises in the Klamath Indian Reservation and its runoff is affected by the forestry practices in the Indian reservation, and

Whereas, pursuant to Public Law 587, the United States is liquidating its trusteeship of the Indians in the Klamath Indian Reservation, and

Whereas S. 2047 proposes that the interests of the Fish and Wildlife Service in the upper Klamath River Basin would be expanded by the addition of the lands of the Big Klamath Marsh: Now, therefore, be it

Resolved, That the Tule Lake Irrigation District proposes as follows: (1) That the lands of the Klamath Indian Reservation should be disposed of into private ownership, (2) in this disposition the new owners be required to exercise the standard forestry practice of sustained-yield management, (3) that the Big Klamath Marsh area should be retained by the United States and the Indians paid for the appraised value thereof pending the preparation of reports on utilization of these lands by the Bureau of Wildlife and Sports Fisheries and by the Bureau of Reclamation.

Approved unanimously upon motion by Director Cushman, seconded by Director Rogers.

Attest:

MAURICE K. STRANTZ, *Secretary.*

Senator NEUBERGER. I will put in the record a number of documents which I think are important in that they shed light on public opinion regarding this issue. I have a letter to me from Mr. Loren L. Palmerton, of Klamath Falls, Oreg., which embodies what I believe are his personal views on this issue, and without objection his letter will be included in full in the record.

And I have a statement of policy from the Klamath County division of the Oregon Education Association, which states their policy, and which concludes:

Therefore, we believe that Federal purchase of these tribal properties would be in the best interest of the Indian, the Klamath Basin, the States of Oregon and California, and the United States of America.

And I believe, if I make out the signature correctly, it is signed by Mr. William O. Kurtz. That statement will be included in full in the record.

And I have a resolution from the Lake County Chamber of Commerce, Lakeview, Oreg., signed by Mr. R. L. Weir, Jr., the president of that organization, which goes on record in favor of the recommendations of the Management Specialists and resolves—

That the public lands committee of the Lake County Chamber of Commerce be on record as favoring the Management Specialists committee's recommendation of Federal Government acquisition of the Klamath Indian Reservation.

And this resolution from the Lake County Chamber of Commerce will appear in full.

(The documents referred to are as follows:)

KLAMATH FALLS, OREG., *September 28, 1957.*

HON. RICHARD NEUBERGER,
United States Senate, Washington, D. C.

DEAR SIR: In your forthcoming hearing at Klamath Falls, Oreg., concerning the liquidation of the Klamath Indian Reservation, I would like to express my personal views.

Having spent most of my adult life in the lumber business and the past 27 years in Klamath Falls, I believe I can be recognized as an Oregonian.

Your opinions that you expressed in the newspapers regarding the liquidation and management of the reservation somewhat meets with my approval. I have had considerable experience with social, community, economic, and international relations in conducting different phases of the lumber business.

First. I am against any more owned and controlled business by the Federal Government pushbuttoned from Washington. Let's keep these problems within the State. So I think that the State of Oregon should control the administration of the reservation, thus helping to keep our people farther away from socialism.

Second. In the further administration and liquidation of the Klamaths, this in the days ahead will be strictly a Klamath County and State of Oregon problem, and will be of little concern and importance to people in Kansas or Vermont, namely, the welfare, education, and economics of the surviving Klamaths.

Third. If the economics would not permit the State of Oregon to acquire by ownership, I would like to recommend that the BLM be empowered to administer the reservation, as I believe that they are closer to our timber and lumbering problems.

I do hope that this liquidation can be enveloped in a State of Oregon procedure, that as soon as an appraisal, cost figure can be divulged, that a method can be arrived at for financing the processing. A considerable amount of acreage of the reservation could be immediately be sold for agriculture and ranch purposes and thus put on the State tax roll, which would help immediate cash requirements, the State to retain mainly a forest and controlled wildlife areas, this would also help to reduce management costs. I also believe that a good plan of acquisition would be voted on favorably by the people of Oregon. Through treaty obligations with the Klamaths, the United States Government should furnish long-term financing for eventual State ownership and for the Klamaths that desire to be private owners.

Time is the essence, and it is too bad time is running out, now the chips are down, let not poor judgment make a poor decision.

Respectfully yours,

LOREN L. PALMERTON.

LAKE COUNTY CHAMBER OF COMMERCE, LAKEVIEW, OREG.

Whereas the liquidation and administration of the natural resources and asset of the Klamath Indian Reservation is of vital interest and importance to the economy and welfare of Lake County, Oreg.; and

Whereas the recommendation of the appointed management specialist committee is of Federal Government acquisition; and

the atmosphere they breathed,' remained in them unless granted away." (*U. S. v. Winans*, 198 U. S. 371, 381)

It would appear from the above that the Klamath Indians acquired fishing rights by the treaties of October 14, 1864, and June 17, 1901, and hunting rights as per the interpretation of section 2145 of the Revised Statutes (25 U. S. C. 216).

However, whether these rights will affect the sale of Klamath Indian land to private parties under the Klamath Termination Act, is open to question. Section 14 of the Klamath Termination Act (25 U. S. C., sec. 564 m. (b)) provides that nothing in the act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty. But section 6 of the act (25 U. S. C., sec. 564 e. (c)) provides that members of the tribe who receive the money value of their interests in tribal property shall thereupon cease to be members of the tribe.

As far as the individual Indians are concerned, both the treaties and the statute limit these fishing and hunting rights to Indians on their own reservation. Thus when their tribal membership ceases, the rights and privileges springing from such membership would also cease, and the withdrawing Indians would no longer have the right to fish or hunt on the reservation. The Supreme Court of Minnesota has held that an Indian who received a patent in fee simple to his allotment, retained no hunting rights on the reservation as an "Indian" under the statute (25 U. S. C. 216) even though he continued to live on the reservation on unpatented land, having sold his own land to a non-Indian. The court stressed the fact that upon receipt of a title to his land in fee simple, the Indian became subject to the laws of the State. On that basis, the court upheld the conviction of a full-blood Chippewa Indian for violating the game and fish laws of Minnesota by trapping muskrats on the reservation during the closed season. (*State* v. *Bush*, 1935, 263 N. W. 300.)

The Indians who choose to remain in the tribe would retain the treaty rights to fish and the statutory right to hunt, but only on the land remaining in their reservation. This is inferred by the statute (25 U. S. C. 216), is provided by the treaty of 1864, and is implied by article IV of the treaty of 1901 through its inclusion of the phrase "not inconsistent with the provisions of this agreement."

As to the land which is offered for sale, as soon as a unit is sold and title in fee simple passes to the private purchaser under the Klamath Termination Act, such land is, ipso facto, severed from the reservation, and jurisdiction over same passes to the State of Oregon. "The jurisdiction of the State, it is true, does extend over Indian country within its borders except as limited by Indian treaties or Federal laws." (*State* v. *Jackson* (1944, 16 N. W. 2d 752, 754 [1–3]), citing *State* v. *Cloud* (179 Minn. 180, 228 N. W. 611).) The land carries no hunting or fishing rights with it, since these rights, as stated above, are limited to Indians on their own reservation.

We may thus conclude that (*a*) the Indians who remain in the tribe will continue to enjoy fishing and hunting rights on the reservation lands which will remain to them; (*b*) the Indians who withdraw from the tribe will lose their fishing and hunting rights; and (*c*) private persons who purchase Klamath Indian land will not acquire these rights, but neither will their lands be subject to the rights of the Indians to hunt or fish thereon.

In assessing a value upon the land which is offered for sale, the appraisers are faced with the fact that the Indians who withdraw from the tribe are giving up not only their share of the forest, marsh, grazing, or other lands so offered for sale, but also their rights to hunt and fish on the land and in the streams which will remain in the reservation. For all this they wish to be reimbursed. However, the private purchaser, who would be the one to reimburse them for the same, acquires only the land and not the fishing and hunting rights which such Indians had. Can he be required to pay an additional purchase price for something which he will not receive?

Ordinarily a situation of this sort is settled by negotiation between the purchaser and seller; but, in the case of the sale of these Klamath Indian lands, Congress will set the minimum price which may be received for the land. It would, therefore, be for Congress to decide whether the withdrawing Indians should be reimbursed for the loss of their fishing and hunting rights and, if so, by whom.

Mr. WILKINSON. Yesterday, and in my statement I had words of criticism to say respecting the management trust plan proposed by

the Management Specialists. In fairness to them, since I think those men have done a remarkable job, I would like to say that they did consider on behalf of the remaining members the possibility of the formation of a corporation, a cooperative, before they hit upon the trust plan.

I know that they have a great deal of information to support the conclusion they reached, and I think the committee should be aware of that, even though that plan has not met with full approval of the tribe.

Senator NEUBERGER. Thank you, Mr. Wilkinson. I am inclined to share your view in this respect. It seems to me, no matter what proposal was made by the Management Specialists for the remaining members of the tribe, it would be subject to a great deal of criticism, whether it be cooperative, corporation, or trust and, regardless of what the entity would be in this situation, I think it would be subject to attack. I think Mr. Lee would agree to that.

Mr. LEE. Yes. As I understand, the Management Specialists interviewed 118 adults. It is my understanding that 117 out of the 118 expressed definite opinions that the corporate type of thing would be less desirable than the corporate trustee.

Senator NEUBERGER. That is very interesting, and I am very pleased that you put that in the record.

Mr. WILKINSON. That is correct. So far as we know, we do not know the types of questions that were asked to elicit that information, but that report is correct.

Senator NEUBERGER. Despite all of the difficulties we are having in this situation, I feel the record should show the diligent work that has been done by Mr. Watters and Mr. Favell and Mr. Wilcox. I do not see how anybody could have done a better job. They might have done a little different job, following a little different course, but I think those men deserve a great deal of commendation.

Mr. Favell has sacrificed his health in this undertaking and the reason he has had these heart attacks, which are so serious that his physician just ordered him to retire from the Management Specialists, is certainly attributable to the time and effort he has contributed to this.

Mr. WILKINSON. I think they have been very dedicated Management Specialists and they have done a remarkable job.

Senator NEUBERGER. Thank you, Mr. Wilkinson, Mr. Jackson, and Messrs. Kirk.

Our next witnesses will be Mr. and Mrs. Wade Crawford of Oregon.

Mr. and Mrs. Crawford, we are happy to have you with us. We appreciate your patience in sitting through so many days of testimony to await your appearance. Which one of you would care to make a statement first?

STATEMENT OF WADE AND IDA CRAWFORD, MEMBERS OF KLAMATH TRIBAL EXECUTIVE COMMITTEE

Mr. CRAWFORD. Mrs. Crawford and I would like to make our statement together.

Mr. GAMBLE. Do you have a printed statement?

Mr. CRAWFORD. I am sorry, I do not. We cannot afford to hire stenographers to prepare our statements. If we had arranged to do

that, we would have had to pay it out of our own personal funds. We do not have access to the tribal funds for that purpose.

Mr. Chairman, I would like to make an opening remark, if you will permit, before we proceed.

Mrs. Crawford and I have for 30 years of our lives fought for the individual rights of the American Indian. We have asked Congress over a period of years to establish the individual right for the Klamath Indians, so the Indians can take their place in Oregon or any other place in the United States just like any other citizen of the United States.

We do not ask any special privileges. We are not looking for something for nothing. We are not only trying to protect something that belongs to us. Our treaty set aside the Indian reservation as described in this provision, reserving approximately a million acres of land that the Klamath Indians could live on. That treaty was for the period of 20 years. The President of the United States has extended that time arbitrarily without consulting the Indians, after 20 years from time to time by an Executive order.

There is something more than just dollars and cents involved in our fight for the American Indians. We were sick and tired of being called second-class citizens by a great many people. We were sick and tired of being wards of the Government. We were sick and tired of bureaucracy. We were sick and tired of the political controls that have been in Congress over our lifetime.

I am 63 years old. I have lived under a bureaucracy and subject to the political whims of Members of Congress. Those are some of the reasons why we have taken the position that we have. With that short statement, we will proceed.

First, Mr. Chairman, I would like to call your attention to the Federal Register that completed the final role of the members of the Klamath Reservation. The Federal Register was published on November 21, 1957. I offer this as an exhibit to be a part of the record. I do not think it is necessary possibly to print it all because I think you have copies of it.

Senator Neuberger. It will be accepted as exhibit A and will be incorporated by reference.

Mr. Crawford. At this point, Mr. Chairman, I would like to have Mrs. Crawford read section 4 of Public Law 587.

Mrs. Crawford (reading):

> Upon publication in the Federal Register of the final roll and provided in section 4 of this act, the rights or beneficial interests in tribal property of each person whose name appears on the roll shall constitute personal property which may be inherited or bequeathed, but shall not otherwise be subject to alienation or incumbrance before the transfer of title to such tribal property as provided in section 6 of this act without the approval of the Secretary. Any contract made in violation of this section shall be null and void.

Mr. Crawford. You can see that section 4 of Public Law 587 clearly establishes the rights of the Indian that his property which was formerly private property is now personal property. It is not opinion; that is the law.

In addition to the law, we would like to quote from the Assistant Secretary of the Interior's letter to Congressman Clair Engle.

Mrs. Crawford (reading):

> The contention has been advanced that the election to withdraw will create a vested right to have a proportionate share of the tribal property sold on the

open market, that the vesting of such right might prevent the enactment of further legislation to preserve the forest, and that the election to withdraw should, therefore, be postponed until after Congress has decided the fate of the forest.

We strongly oppose any such postponement. The right to elect to withdraw is as much a vested right at the present time as would be the right to withdraw after the election is made. Moreover, Congress needs to know how many of the tribal members want to withdraw before it can determine how much, if any, of the forest should be acquired for public conservation purposes and the amendment recommended to carry out the first purpose of the bill, discussed above, will clearly permit such acquisition by a public agency according to a procedure or a price fixed by Congress rather than under the procedure specified in existing law, if Congress wishes to legislate to that effect.

There is, therefore, no need to postpone the determination of the number of Indians who want to withdraw in order to permit Congress to protect the forest, and there are cogent reasons for not delaying.

Then, Mr. Sigler, on page 27 of the transcript stated:

I realize that there has been some discussion—and I will honor your request, Mr. Chairman, to make this short—about the vesting of rights. The suggestion that has come to us is that once the tribal members elect to withdraw, they have vested rights which Congress may not take away from them. There are two answers to that. One is that it is argued—and I think plausibly—that their rights are already vested. Congress has given them the right to withdraw by following a particular procedure. That is as much as vested right as the right they will have after they actually make the election. They have a vested right now, to make that decision.

That statement was made by Mr. Lewis Sigler, attorney for the Indian Bureau, at the hearing before the subcommittee of the House Committee on Interior and Insular Affairs on H. R. 11660, providing for extension of time on Public Law 587, on July 13, 1954.

Senator NEUBERGER. Mr. Sigler, do you have any comment on that?

Mr. SIGLER. No, sir, I do not.

Senator NEUBERGER. As far as the legalities of whether the rights are vested or not, it seems to me that you should advise us of a policy this subcommittee should follow. If the rights are vested, then the individual members of the tribe can seek the remedies in courts and litigations.

I just feel that you are taking the time on a legal matter that I cannot possibly decide. I am not a lawyer. I am not a constitutional expert. I am not a judge of either an appellate court or a court of original jurisdiction, and this would have to be decided in the courts.

Mrs. CRAWFORD. We are not attorneys either; therefore, we take the word of Mr. Lewis Sigler, who is a respected Solicitor in the Department.

Senator NEUBERGER. He is indeed a respected Solicitor and we have an opinion from the Library of Congress. It might be that neither is correct or one or the other may be, but that is not before the committee. I cannot adjudicate, and I do not think my colleagues can. It is a matter for litigation in the courts.

Mr. CRAWFORD. I just want to say now we were in hopes that we would be allowed the same privilege that every other witness has had who has come before your committee here since these hearings have been held for the last few days.

A great many things have been said about the Klamath Indians and we did not have an opportunity to contradict them or question the witnesses, and so on. They read their statements without any interruptions and here we are now presenting our short statement and we would like to be accorded the same privilege.

Senator NEUBERGER. Mr. Crawford, I just want to state for the record that you are not as observant as I thought you were. When Mr. Jackson went on for a substantial length of time yesterday, I reminded Mr. Jackson that we were under a limited time schedule, and Mr. Jackson then concluded his statement within about the next 2 minutes.

Mrs. CRAWFORD. He talked 1 hour.

Senator NEUBERGER. That is not true.

I am going to give you 1 hour. You went on at 10:59. I was just trying to suggest to you that in the very ample time I am going to give you that you not devote yourself to the legal phase of the question which this subcommittee cannot handle. If you want to spend the next 48 minutes discussing the legalities of the situation, you are quite within your rights in doing so. I was just trying to make your time more useful to you.

I wanted to point out to you that the subcommittee cannot decide the legalities of the situation.

Mrs. CRAWFORD. I was only trying to give information and not my opinion.

Mr. CRAWFORD. Mr. Chairman, I will continue by reading exhibit B, which I will ask be incorporated in the record:

(Exhibit B is as follows:)

EXHIBIT B

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
KLAMATH INDIAN AGENCY,
Klamath Agency, Oreg., April 2, 1957.

J. C. O'NEILL
Attorney at Law,
Klamath Falls, Oreg.

DEAR MR. O'NEILL: Thank you for your letter of April 1, with which you furnished us with copies of petition, order, oath, bond and letters in the matter of the estate of Maxine Myrna Walker Belgard.

We have checked our records and find that the decedent owns no real trust property, through inheritance or purchase, and has no funds to her credit.

The estate will receive a share of future per capita payments made to tribal members. The decedent held an undivided interest in the lands, funds and other assets of the Klamath Tribe, the value of which is not known at this time.

Sincerely yours,

M. M. ZOLLER, *Superintendent.*

Mr. CRAWFORD. The purpose, Mr. Chairman, of offering exhibit B is to show that the administration has recognized the Indians' vested rights and they are carrying it out administratively. Moneys which formerly were tribal funds are now placed to the credit of the estate.

Next, Mr. Chairman, I would like to offer as exhibit C the list of cases that are in the probate courts in Oregon. This information is vital to the subject which we have been discussing in the past few days. It has been brought up by the Department that the trust branches in the different banks are going to handle these minor funds or non compos mentis to protect those peoples' interests.

Exhibit C shows the number of cases that are filed in the probate courts in Oregon—77 State probate cases—and it shows that for 57 percent of these cases J. C. O'Neill is counsel.

Mr. COBURN. What was the total number?

Mr. CRAWFORD. Seventy-seven.

It also shows that for 24 of these cases the Ward Funeral Home is the administrator for these estates.

It really points out why it is necessary for the trust departments of the banks to step in and handle these cases which we favor over the——

Senator NEUBERGER. How did funeral homes become administrators of these estates?

Mr. CRAWFORD. It is a public record. It is filed in the county courts in our counties in Oregon.

Senator NEUBERGER. By what procedure, Mr. Crawford?

Mr. CRAWFORD. By a judge appointing the Ward Funeral Home as the administrator and J. C. O'Neill as the legal counsel.

Senator NEUBERGER. Do you mean the circuit judge for the county in the State of Oregon?

Mr. CRAWFORD. At the request of the Indians and the attorneys.

Senator NEUBERGER. I would like to ask Mr. Coburn and Mr. Sigler about this.

Mr. CRAWFORD. They are taking up my time.

Senator NEUBERGER. You want these points amplified and I am interested in the information you have brought us. I would like to ask Mr. Coburn or Mr. Sigler whether a funeral home should be an administrator of an estate.

Mr. COBURN. The attorney is the attorney for the estate, but how the funeral parlor is then designated administrator is something I do not know about.

Senator NEUBERGER. In your legal experience, have you encountered any duplication of this?

Mr. SIGLER. No, sir, I am not familiar with probate proceedings.

Senator NEUBERGER. Mr. Wilkinson, I will ask you about that.

Mr. WILKINSON. The funeral home is not the administrator. It is an individual who is a partner or owner of the funeral home.

Senator NEUBERGER. What is the situation on that, Mr. Crawford? You made the statement that the funeral home was the administrator for the estate.

Mr. CRAWFORD. Mr. Ward and his brother are the owners of the funeral home.

Senator NEUBERGER. I think this is a matter on which the subcommittee should get some information.

Mr. CRAWFORD. The only reason I am interested in it, Senator, is that Mrs. Crawford and I are vitally interested in the protection of these minors and we feel that this sort of procedure is highly irregular. We feel that the trust branches of the banks should handle the minors' funds for their education and health, and so forth.

Senator NEUBERGER. This list will be included in the record.

(Exhibit C is as follows:)

EXHIBIT C

Name	Attorney	Administrator
Francis Wilson Ball (estate)	J. C. O'Neill	Ben Jones.
Mary Choektoot Barkley	do	C. P. Ward.
William Barkley (estate)	L. Orth Sisemore	United States National Bank.
Estella Kirk Beal (estate)	J. C. O'Neill	W. W. Ward.
Andrew Billie J. (estate)	do	J. C. O'Neill.
Maxine M. Walker Belgard	do	W. W. Ward.
Bernice Biss	do	Richard Biss.
Rollo Brown (estate)	George Proctor	Amelia Frost.
Charlie Jason (estate)	J. C. O'Neill	Eleanor Butler McNoise.
Mable Choektoot	Glenn Ramirez	Lavina Henry.
Royde Choektoot	J. C. O'Neill	C. P. Ward.
Vivian M. Brown Choektoot	George Proctor	Doralyn Parton.
Ida Belle Corbell	J. C. O'Neill	Annie Francis.
Lolana Crain Merritt	do	Dice Crain.
Cinda C. Crume	Donald W. Piper	Ted Crume.
Hank John Davis	J. C. O'Neill	Frank J. Schmitz.
John Duvall	do	L. L. Myers.
Dora M. Fisher	do	W. W. Ward.
Betty J. Foster	do	C. P. Ward.
Ray Foster	do	Do.
Sandra L. Foster	do	W. W. Ward.
Melvin J. Frost	George Proctor	Amelia Frost.
Dean George	Ganong & Ganong	Helen G. Ogden.
Ralph M. George	J. C. O'Neill	C. P. Ward.
Robert George	Edwin E. Driscoll	Mattie George.
James Godowa	J. C. O'Neill	C. P. Ward.
Lizzie Godowa	do	Frank Schmitz.
Clarence Hamilton	do	Aileen B. Hamilton.
Ellen M. Heecoeta	do	Anita M. Decker.
Juanita Heecoeta	Edwin E. Driscoll	Sam Heecoeta.
Addie Weeks Horton	L. Orth Sisemore	W. W. Ward.
Elva Tice Hudson	George C. Reinmiller	George C. Reinmiller.
Levi Jr. Hunt	J. C. O'Neill	C. P. Ward.
Catherine Hurtado	do	Vera Walker.
John Bob Hutchinson	do	W. W. Ward.
Alvin Jackson	do	C. P. Ward.
Edna Captain Jackson	do	W. W. Ward.
Harry Jackson	do	C. P. Ward.
Leon Isaacs Jackson	do	Norma Jackson.
Nancy Lee Jackson	do	Do.
Patrick J. Jackson	do	J. C. O'Neill.
Helen Clinton Jackson	do	C. P. Ward.
James Johnson	Glenn Ramirez	Mary Margaret Johnson.
Jack H. Jones	J. C. O'Neill	Ben Jones.
Abner Kirk	L. Orth Sisemore	Dolly Kirk.
Gladys Jackson Kirk	J. C. O'Neill	W. W. Ward.
William Henry Kirk	L. Orth Sisemore	Eleanor Kirk.
Rowley Lalo	Glenn D. Ramirez	Grace Lalo.
Gertie Duvall Lara	J. C. O'Neill	1st National Bank of Portland, Oregon.
Eddie Lobert	L. Orth Sisemore	Billett Lobert.
Flora Hill Lobert	do	Do.
Vernon Lee Lugo	Glenn Ramirez	Carlos Lugo, Sr.
Rena Gibbons McAllister	George Proctor	Raymond E. McAlister.
Eva Moses	J. C. O'Neill	W. W. Ward.
Irma C. Barkley Nealy	do	Do.
Herbert Nelson	Glenn Ramirez	Rita Nelson Barkley.
Joseph Lee Parazoo	L. Orth Sisemore	L. Orth Sisemore.
Zelda Crim Pearson	J. C. O'Neill	Wilbur Crim.
Grover Pompey	L. Orth Sisemore	L. Orth Sisemore.
Pearl Ray Jackson	J. C. O'Neill	W. W. Ward.
Minnie Snyder Robbins	Robert Puckett	Hi Robbins.
Calvin Jr. Shadley	George Proctor	Jean Shadley.
Dan Skeen	L. Ortb Sisemore	Ruby Skeen.
Irene Skelloek	do	Eleanor McNoise.
Florence Choektoot Tompson	J. C. O'Neill	C. P. Ward.
Ben Tupper	do	Mildred Miller.
Dolson Tupper	do	W. W. Ward.
Edison Tupper	Ganong & Ganong	Philmore Tupper.
Bennett Weeks	J. C. O'Neill	Norma Jackson.
Bennett Merle Weeks	L. Orth Sisemore	Annette Weeks.
Carmel Jackson Weeks	J. C. O'Neill	Norma Jackson.
Eugene Weeks	Harry D. Voivin	(None to date).
Leatha Weeks	L. Orth Sisemore	W. W. Ward.
Buddy Ken Weiser	George Proctor	Francis M. Weiser.
Josepb Elwood Wright	J. C. O'Neill	W. W. Ward.

JULY 12, 1957.

The following have been appointed as administrator, administratrix, executor or executrix for estates pending in the State court:

Name	Number of cases
Rita Nelson Barkley	1
Richard Biss	1
Dice Crain	1
Wilbur Crim	1
Theodore Crume	1
Anita Decker	1
First National Bank of Portland, Ore	1
Annie Francis	1
Amelia B. Frost	2
Aileen B. Hamilton	1
Samuel Hecocta	1
Lavina Henry	1
Cordelia Jackson	1
Norma Jackson	4
Mary Margaret Johnson	1
Ben Jones	2
Dolly Kirk	1
Eleanor Kirk	1
Grace Lalo	1
Billett Lobert	2
Carlos Lugo, Sr	1
Eleanor McNoise	2
Raymond R. McAlister	1
Mildred Miller	1
L. L. Myers	1
J. C. O'Neill	2
Helen G. Ogden	1
Doralyn Parton	1
George C. Reinmiller	1
Hiram R. Robbins	1
Frank J. Schmitz	2
Jean Shadley	1
L. Orth Sisemore	2
Ruby Skeen	1
Philmore Tupper	1
United States National Bank of Portland, Ore	1
Vera Walker	1
C. P. Ward	11
W. W. Ward	14
Annette Weeks	1
Frances M. Weiser	1

77: STATE PROBATE CASES (75 CASES STARTED, 2 NOT STARTED)

Attorneys handling 75 State probate cases:

Name of attorney:	Number of cases
J. C. O'Neill (Klamath tribal attorney) (57 percent)	43
L. Orth Sisemore (16 percent)	12
Proctor & Puckett (9+ percent)	7
Glenn D. Ramirez (6+ percent)	5
Gonang & Gonang (2+ percent)	2
Edwin E. Driscoll (2+ percent)	2
Harry D. Boivin (1+ percent)	1
Donald Piper (1+ percent)	1
George C. Reinmiller (1+ percent)	1
Herbert W. Lombard (Cottage Grove, Ore.) (1+ percent)	1
Total	75

NOTE.—82 percent handled by first 3 firms. As of July 2, 1957.

Mr. CRAWFORD. Next we have exhibit D. It is probably not necessary to read it, but I ask that it be incorporated in the record. It is: Proposed sales of timber—Klamath Indian Reservation, Oreg. That was published by T. B. Watters, chairman, Klamath Management Specialists.

Senator NEUBERGER. That is already in the record.

(Exhibit D was previously submitted and appears on p. 449.)

Mr. CRAWFORD. In that notice, he states that approximately 3 billion feet of timber were to be offered for sale, and it also states that nothing will be done about it until we find out what Congress is going to do, whether they are going to amend the law or whether there is going to be Federal purchase.

This is causing the delay, possibly, of 2 or 3 months or possibly 4 or 5 months. It is very important. It is going to affect the Indians that own that timber and it also affects the lumber companies.

The lumber companies are not willing to go in and spend $15,000 or $20,000 or more to look at this timber when they do not know whether Congress is going to come out and pass legislation that will wipe the slate clean. They have lost their investments in making such an inspection. It makes the lumber companies hesitate to make any kind of an investment.

Next, I would like to offer exhibit E, which I think is very pertinent to this hearing. It was developed here yesterday by Mr. Boyd Jackson in his statement. He was asked whether or not he would accept the Federal purchase on the appraisal and he stated—and I think the record speaks for itself—that he would, if he would be permitted to sue the Government.

Exhibit E shows a letter from Mr. Wilkinson to the chairman of the executive committee, Mr. Lang, and copies were sent to all members of the committee except Mrs. Crawford and myself.

I would like to offer the letter of Mr. Wilkinson to the chairman and the detailed budget that accompanies the letter.

I also ask that a letter signed by Mrs. Crawford and myself be inserted in the record.

Mr. GAMBLE. What is the purpose of introducing this letter into the record?

Mr. CRAWFORD. The purpose of the letter is that the executive committee obligate and set aside $350,000 of the tribal funds to be used in the prosecution of claims against the United States Government.

Senator NEUBERGER. Is that what the letter says?

Mr. CRAWFORD. Yes, sir.

Senator NEUBERGER. Are you quoting from the letter? Do not read the whole letter, but I would like to know about that particular point.

Mr. CRAWFORD. The budget set out shows $26,000 to be used, if they want to use it, for litigation which could result under the Termination Act.

Mrs. CRAWFORD. This is addressed to Mr. Delford Lang, chairman, Klamath Executive Committee, Chiloquin, Oreg., dated January 8, 1958, regarding Klamath litigation—allocation of funds for litigation due to termination.

DEAR DELFORD: When I met with the executive committee shortly before Christmas, I had with me two resolutions for consideration of the executive committee. In general, action on these resolutions would have started a procedure for allocation of tribal funds for completion of Klamath claims against the United States, a procedure necessary before funds are paid out to any withdrawing members. Because there was no quorum during our Portland meetings, and because the meeting of the final day developed into an open meeting, thereby slowing down the procedure, it was not possible for the executive committee to consider these.

Nevertheless, time is of the essence, and I feel the problem should be considered immediately by the executive committee. On January 3, I talked to Boyd Jackson to advise him of developments on termination and to advise him further that our partner, Mr. Donald C. Gormley, will be in Portland approximately January 14 to 16 for conferences with Mason, Bruce & Girard on the boundary claim and to attempt to select and negotiate an agreement with an agricultural appraiser, Mason, Bruce & Girard being limited by experience and qualifications to timber appraisals. We are hopeful of bringing this case to trial within the next several months. In addition, we are taking steps to arrange for completion of the trial on the Indian title claim growing out of the treaty of 1864.

I advised Boyd Jackson that I thought it might be well to arrange a meeting of the executive committee while Mr. Gormley is in your area. We tentatively concluded that, if a meeting with the bankers is arranged, it might be possible

to meet with him in Portland. Otherwise, he can arrange to be in Klamath Falls or at Klamath Agency during his visit, preferably on January 15. I hope this can be worked out.

One resolution authorizes establishment of a separate tribal fund in the amount of $350,000 to provide the maximum necessary reserve for prosecution of the claims. On the surface, $350,000 appears to be a very substantial sum. We wish to assure you that we do not believe anything like this amount will be expended, but this is arrived at as an absolute maximum. As you realize, once funds have been disbursed to withdrawing members, there is no way of obtaining equitable allocation of tribal funds, some members having been paid the entire amount of their interests. We are enclosing herewith a breakdown on the maximum amount. You will note that this comes to $350,000. Since there is always a possibility that litigation will result from the Termination Act, we have added an amount of $26,000 to cover that contingency.

May I say, Mr. Chairman, that is what we would like to avoid, any continual litigation. As a citizen of this country, I am tired of these Indians' claims against the Government and it is brought about by lawyers who just continue to run us into situations as we are being placed in today.

Mr. CRAWFORD. May I have this printed in the record?

Senator NEUBERGER. If that is an accurate copy of Mr. Wilkinson's letter and Mr. Wilkinson himself does not challenge the contents, it may be put in. I notice it is a copy and not a photostat.

Mr. CRAWFORD. This was furnished to me by Mr. Wilkinson's associate.

Senator NEUBERGER. If his office furnished it to you, then it may be included in the record.

(Exhibit E is as follows:)

EXHIBIT E

WILKINSON, CRAGUN & BARKER,
Washington, D. C., January 8, 1958.

Re Klamath litigation—Allocation of funds for litigation due to termination.

Mr. DELFORD LANG,
Chairman, Klamath Executive Committee,
Chiloquin, Oreg.

DEAR DELFORD: When I met with the executive committee shortly before Christmas, I had with me two resolutions for consideration of the executive committee. In general, action on these resolutions would have started a procedure for allocation of tribal funds for completion of Klamath claims against the United States, a procedure necessary before funds are paid out to any withdrawing members. Because there was no quorum during our Portland meetings, and because the meeting of the final day developed into an open meeting, thereby slowing down the procedure, it was not possible for the executive committee to consider these.

Nevertheless, time is of the essence, and I feel the problem should be considered immediately by the executive committee. On January 3, I talked with Boyd Jackson to advise him of developments on termination and to advise him further that our partner, Mr. Donald C. Gormley, will be in Portland approximately January 14 to 16 for conferences with Mason, Bruce & Girard on the boundary claim and to attempt to select and negotiate an agreement with an agricultural appraiser, Mason, Bruce & Girard being limited by experience and qualifications to timber appraisals. We are hopeful of bringing this case to trial within the next several months. In addition, we are taking steps to arrange for completion of the trial on the Indian title claim growing out of the treaty of 1864.

I advised Boyd Jackson that I thought it might be well to arrange a meeting of the executive committee while Mr. Gormley is in your area. We tentatively concluded that, if a meeting with the bankers is arranged, it might be possible to meet with him in Portland. Otherwise, he can arrange to be in Klamath Falls or at Klamath Agency during his visit, preferably on January 15. I hope this can be worked out.

One resolution authorizes establishment of a separate tribal fund in the amount of $350,000 to provide the maximum necessary reserve for prosecution of the

claims. On the surface, $350,000 appears to be a very substantial sum. We wish to assure you that we do not believe anything like this amount will be expended, but this is arrived at as an absolute maximum. As you realize, once funds have been disbursed to withdrawing members, there is no way of obtaining equitable allocation of tribal funds, some members having been paid the entire amount of their interests. We are enclosing herewith a breakdown of the maximum amount. You will note that this comes to $350,000. Since there is always a possibility that litigation will result from the Termination Act, we have added an amount of $26,000 to cover that contingency.

You will note, also, that the resolution provides that the balance of the fund remaining after its purpose has been achieved is to be distributed pro rata to members of the tribe. Since the tribe has always been anxious to see its claims prosecuted to final conclusion, and since it now looks probable that the tribe will receive substantial judgments, we earnestly request favorable action on this and the other resolution. There is no other way by which the claims may be prosecuted to a conclusion.

The other resolution deals with the necessity to establish regulations or obtain an amendment to Public Law 587 so as to provide for supervision and disbursement of the fund subsequent to the termination date, and to provide for negotiating with and supervising the claims attorney. We believe that the Secretary is justified, on the basis of the existing Termination Act, to establish regulations. However, some doubt as to his authority has been raised by the Solicitor's Office. and this resolution will put it up to him whether to adopt regulations or seek an amendment to Public Law 587 to achieve the purpose of the resolution. As you appreciate, the Secretary of the Interior will cease to have jurisdiction to regulate the attorney after the termination date. It has tentatively been agreed with the Bureau that the best way to do this is the one set forth in the resolution.

Since it is urgent that we have early action, we request that the proposal for a January 15 meeting be accepted. Otherwise, we ask that you act on these resolutions at a special meeting before that time so that we may proceed with necessary work in Washington.

I trust that you or one of the other members will telephone me if you have any questions.

Sincerely yours,

WILKINSON, CRAGUN & BARKER,
By GLEN A. WILKINSON.

Estimate of funds required to defray expenses in Klamath litigation in all claims through appeals to Court of Claims and Supreme Court of the United States, and possible termination litigation

I. CLAIM UNDER 1864 TREATY

A. Indian title phase:	
1. Attorneys:	
(*a*) Secretarial overtime	$3,000
(*b*) Printing, multilithing, and Verifax	2,000
(*c*) Transcripts	1,000
(*d*) Travel	6,000
(*e*) Telephone	200
(*f*) Telegraph	200
(*g*) Photostating and microfilming	1,000
(*h*) Technical assistants (not expert witnesses)	3,000
(*i*) Excess postage	500
(*j*) Taxi fares	100
(*k*) Evening meals	500
(*l*) Special mapping	1,000
(*m*) Miscellaneous	1,500
Total	20,000
2. Expert witnesses:	
(*a*) Anthropologists	6,000
(*b*) Historian	5,000
(*c*) Cartographer	4,000
Total	15,000

Estimate of funds required to defray expenses in Klamath litigation in all claims through appeals to Court of Claims and Supreme Court of the United States, and possible termination litigation—Continued

I. CLAIM UNDER 1864 TREATY—continued

B. Valuation phase:	
1. Witnesses:	
(*a*) Surface appraiser	$60,000
(*b*) Subsurface appraiser	30,000
(*c*) Historian	5,000
(*d*) Timber consultant	20,000
(*e*) Research technicians	10,000
Total	125,000
2. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, multilithing, and Verifax	2,000
(*c*) Transcripts	1,000
(*d*) Travel	6,000
(*e*) Telephone	200
(*f*) Telegraph	200
(*g*) Photostating and microfilming	1,000
(*h*) Technical assistants (not expert witnesses)	3,000
(*i*) Excess postage	500
(*j*) Taxi fares	100
(*k*) Evening meals	500
(*l*) Special mapping	1,000
(*m*) Miscellaneous	1,500
Total	20,000
C. Offset phase:	
1. Witnesses:	
(*a*) CPA	5,000
2. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, etc	2,000
(*c*) Transcripts	1,000
(*d*) Telephone	200
(*e*) Telegraph	200
(*f*) Photostating and microfilming	1,000
(*g*) Excess postage	500
(*h*) Taxi fares	100
(*i*) Evening meals	500
(*j*) Miscellaneous	1,500
Total	10,000
D. Appeals (Court of Claims):	
1. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
Total	7,000

Estimate of funds required to defray expenses in Klamath litigation in all claims through appeals to Court of Claims and Supreme Court of the United States, and possible termination litigation—Continued

I. CLAIM UNDER 1864 TREATY—continued

E. Certiorari (Supreme Court of the United States):	
1. Attorneys:	
(*a*) Secretarial overtime	$3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
Total	7,000

II. CLAIM UNDER 1896 AGREEMENT

A. Valuation phase:	
1. Witnesses:	
(*a*) Timber consultant	5,000
(*b*) Surface appraiser	5,000
(*c*) Research assistants	2,500
(*d*) Cartographer	2,500
Total	15,000
2. Attorneys	
(*a*) Secretarial overtime	3,000
(*b*) Printing, multilithing and verifax	2,000
(*c*) Transcripts	1,000
(*d*) Travel	6,000
(*e*) Telephone	200
(*f*) Telegraph	200
(*g*) Photostating and microfilming	1,000
(*h*) Technical assistants (not expert witnesses)	3,000
(*i*) Excess postage	500
(*j*) Taxi fares	100
(*k*) Evening meals	500
(*l*) Special mapping	1,000
(*m*) Miscellaneous	1,500
Total	20,000
B. Offset phase:	
1. Witnesses:	
(*a*) CPA	5,000
2. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, etc	2,000
(*c*) Transcripts	1,000
(*d*) Telephone	200
(*e*) Telegraph	200
(*f*) Photostating and microfilming	1,000
(*g*) Excess postage	500
(*h*) Taxi fares	100
(*i*) Evening meals	500
(*j*) Miscellaneous	1,500
Total	10,000

Estimate of funds required to defray expenses in Klamath litigation in all claims through appeals to Court of Claims and Supreme Court of the United States, and possible termination litigation—Continued

II. CLAIM UNDER 1896 AGREEMENT—continued

C. Appeal (Court of Claims):	
1. Attorneys:	
(*a*) Secretarial overtime	$3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
	7,000
D. Certiorari (Supreme Court of the United States):	
1. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
	7,000

III. CLAIM FOR GENERAL ACCOUNTING

A. Liability phase:	
1. Witnesses:	
(*a*) Accountant (CPA)	10,000
(*b*) Possible field testing	10,000
(*c*) Witness fees and mileage	5,000
Total	25,000
2. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
	7,000
B. Offset phase:	
1. Witnesses	2,500
2. Attorneys	2,500
C. Appeal (Court of Claims):	
1. Attorneys:	
(*a*) Secretarial overtime	3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
Total	7,000

Estimate of funds required to defray expenses in Klamath litigation in all claims through appeals to Court of Claims and Supreme Court of the United States, and possible termination litigation—Continued

III. CLAIM FOR GENERAL ACCOUNTING—continued

D. Certiorari (Supreme Court of the United States):	
1. Attorneys:	
(*a*) Secretarial overtime	$3,000
(*b*) Printing, court costs, etc	2,000
(*c*) Telephone	200
(*d*) Telegraph	200
(*e*) Excess postage	500
(*f*) Taxi fares	100
(*g*) Evening meals	500
(*h*) Miscellaneous	500
Total	7,000

IV. TERMINATION LITIGATION

Termination litigation	26,000
Total	350,000

RESOLUTION

Whereas the attorney contract under which Ernest L. Wilkinson is authorized and directed to prosecute claims against the United States on behalf of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians was conditionally approved by the Acting Commissioner of Indian Affairs on November 22, 1957, extending the contract for a period of 5 years beginning March 25, 1957; and

Whereas the conditions attached to the contract were accepted by the attorney in a letter to the Commissioner of Indian Affairs dated November 26, 1957; and

Whereas the conditions were accepted on behalf of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians through adoption of a resolution by the Klamath Executive Committee on December 3, 1957; and

Whereas Public Law 587, 83d Congress, as amended by Public Law 85–132, 85th Congress, allows each member of the Klamath Tribe to elect whether to withdraw and have his interest in tribal property converted in money and paid to him, or to remain in the tribe and participate in the tribal management plan to be prepared pursuant to the law and notwithstanding withdrawal permits (sec. 8 (c)) sharing in the proceeds of tribal claims against the United States; and

Whereas the Klamath claims against the United States are still pending and will be pending for some time before the Indian Claims Commission, and there remains the possibility of appeals to the Court of Claims and petitions for certiorari to the Supreme Court of the United States, all time-consuming possibilities; and

Whereas the steps remaining in the process of litigation will involve possible substantial financial outlays for expert witnesses, costs of appraisals and other costs as yet unknown; and

Whereas it is deemed advisable for the benefit of the Klamath Tribe as a whole, including prospective withdrawees, that adequate funds be set aside for completion of the litigation prior to the time the election provided for by Public Law 587 is here: Now, therefore, be it

Resolved, That the Secretary of the Interior be authorized and requested to establish a separate fund in the amount of $350,000 from any available Klamath tribal funds for the purpose of providing a reserve of necessary funds for prosecution of the Klamath claims against the United States; be it further

Resolved, The Secretary of the Interior is requested to administer this fund in accordance with the existing contract and law; be it further

Resolved, The Secretary of the Interior is requested to take such steps as are necessary consistent with law to provide for the preservation of the fund for the purpose for which it is created, and to distribute or arrange for distribution of any balance remaining, after its purpose has been achieved, to the members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in-

cluded in the proclamation of final roll of the tribe published in the Federal Register for November 21, 1957, or to the heirs of such members.

_____ _____,
Chairman, Klamath Executive Committee.

Attest:

_____ _____,
Secretary, Klamath Executive Committee.

RESOLUTION

Whereas section 6 (c) of Public Law 587, as amended, provides that nothing shall prevent withdrawing Klamath members from sharing in the proceeds of tribal claims against the United States; and

Whereas section 21 of Public Law 587 saves for the Klamath Tribe any right, privilege, or benefit granted by the Indian Claims Commission Act of August 13, 1946; and

Whereas by section 23 of Public Law 587, the Secretary is authorized to issue rules or regulations to effectuate the purposes of the act; and

Whereas in order to assure completion of prosecution of the Klamath claims, the executive committee has adopted a resolution authorizing the establishment of a separate fund to pay expenses incident to prosecution of the Klamath claims; and

Whereas it is deemed necessary to seek adequate regulations or an amendment to Public Law 587 to provide for supervision and disbursement of the fund subsequent to the termination date in the event the litigation is not concluded by that date; and

Whereas it is deemed necessary and desirable to provide for a method of negotiating with and supervising the claims attorney in subsequent phases of the litigation, including execution of new contracts, extension of the existing contract, or amendments to the existing or new contracts: Now, therefore, be it

Resolved, That the Klamath Executive Committee, acting for and on behalf of the Klamth and Modoc Tribes and Yahooskin Band of Snake Indians, requests and directs the tribal attorneys to seek approval by the Secretary of adequate regulations pursuant to Public Law 587 or to seek amendments to Public Law 587 which will be adequate to provide for continuing supervision of the fund to be established by the Secretary of the Interior; be it further

Resolved, That the Secretary is requested to adopt regulations establishing and maintaining a committee representative of the entire Klamath Tribe, empowered to exercise all powers which the tribe itself now possesses with respect to its claims against the United States and their complete liquidation, such powers to include without limitation the power to enter into all contracts connected with claims litigation and whether with attorneys, experts, or others; to approve or reject proposed settlements; and to authorize or refuse to authorize appeals, in each instance subject to approval by the Secretary of the Interior or his authorized representative (to the extent now subject to such approval) so long as the Secretary shall retain such powers, and thereafter to be subject to approval of such official or trustee, if any, as may be designated by the Secretary.

_____ _____,
Chairman, Klamath Executive Committee.

Attest:

_____ _____,
Secretary, Klamath Executive Committee.

CHILOQUIN, OREG., *January 22, 1958.*

To the CHAIRMAN and SECRETARY of the EXECUTIVE COMMITTEE,
KLAMATH AGENCY, OREGON

(Attention: Mr. Delford Land and Mr. Dibbon Cook.)

This is to register our objection to the request, of January 8, 1958, of the law firm of Wilkinson, Cragun and Barker of Washington, D. C., for the amount of $350,000 from the tribal funds of the enrolled members of the Klamath Indian Reservation. Said funds to be used for the expenses of the attorneys and persons employed by them in the prosecution of claims against the United States.

We were unable to be present at the morning session of the committee, January 21, 1958, and therefore request to have this letter incorporated as a part of the minutes, or if not a part of the minutes, attached thereof, to register our objection to the allotment of tribal funds in the sum of $350,000.

You will recall that we stated upon adjournment of the committee that we would not accept salary for the morning session, because we were not present.

Very truly yours,

IDA CRAWFORD.
WADE CRAWFORD.

Mrs. CRAWFORD. I should like to say that by inferences and innuendo, it appeared that there is some reflection cast upon us that we are attempting to engage or be engaged by some members of the tribe as agents for others to do something unfair.

We will come right out and answer any questions or accusations right straight across the board, but there is positive proof that that is the situation on the other side. These people are constantly trying to cast shadows and reflections upon our character, and I am just not going to sit idly by and listen to it.

It is so unjust, but it is trivial too—the working of small minds. I just hate to be a party to it.

I have another letter which I should like to read into the record.

(The letter is as follows:)

CHILOQUIN, OREG., *February 4, 1958.*

Mr. GLEN A. WILKINSON,
Klamath Tribal Attorney,
Washington, D. C.

DEAR MR. WILKINSON: We the undersigned members of the Klamath Reservation discussion group, are sending you herewith a copy of a petition (the original being retained by the group) which was circulated among Klamath tribal members from February 1 to 3, 1958. This petition explains the attitudes of those tribal members whose signatures are found thereon toward any proposed amendments to Public Law 587 which would defer payment to Klamath tribal members for tribal lands sold under section 5 of Public Law 587.

As you will note, the petition deals specifically with section 32 of H. R. 9737, recently introduced by Representative A. Ullman, but also concerns itself, with any other deferred-payment amendments which may be proposed, and affirms that those tribal members who have signed the petition, 240 in number, are unalterably opposed to such amendments.

We are sending copies of this letter only to tribal delegates now in Washington, D. C., and wish to request that you inform these delegates that you have received a copy of the petition itself. We further request that you make this petition available to the delegates and that you explain it to them where necessary so that they may become thoroughly acquainted with it.

Please note that the petition is also being sent to the following: Representative James A. Haley, chairman, Subcommittee on Indian Affairs, Senator Richard Neuberger, chairman, Subcommittee on Indian Affairs, and National Congress of American Indians.

Sincerely yours,

Mrs. IMA JIMINEZ, *President,*
Klamath Reservation Discussion Group.
Mrs. MARIE NORRIS, *Secretary,*
Klamath Reservation Discussion Group.

Mrs. CRAWFORD. I should like to say Mr. Wilkinson handed this to me yesterday at the beginning of the committee hearings.

Mr. CRAWFORD. I would like to incorporate the petition in the record at this point.

(The petition, referred to above, is as follows:)

PETITION

We, the undersigned, enrolled members of the Klamath Tribe, are familiar with section 32 of H. R. 9737, which was introduced in the House of Representatives on January 8, 1958, by Representative A. Ullman of Oregon. We note that this section provides that payment to tribal members for tribal lands purchased by the Secretary of the Interior be made in nonnegotiable, unassignable bonds issued by the Secretary of the Treasury, such bonds being payable in 20 equal annual installments.

We, the undersigned, are unalterably opposed to this bond proposal or to any other such plan which would defer payment to tribal members for tribal lands sold under section 5 of Public Law 587.

We, the undersigned, insist that immediately upon the sale, whether to governmental or private purchasers, of the entire tribal estate to be sold, disbursement in full must be made to tribal members of their respective shares of funds received through such sale. We further insist that such sale and disbursement of funds must be accomplished not later than August 13, 1960.

Lottie Miller, Ima L. Jimenez, Robert Doak, Ramon Jimenez, Peggy Jimenez, Aggie S. Butler, Dorothea E. McAnulty, Leatha G. Richards, Lois Sabestian, Franklyn Mary Cowen, Walter C. Huitt, Inez Lang, Ellsworth Lang, Mary M. Johnson, Rena Brown, Clarice Lotches, Marjorie Ann Walker, Mrs. Nettie Smith, Clarence Clinton, Beulah Clinton, Leslie Stanley, Hawley H. Hood, Ethel Mae Hood, Margaret J. Huntsinger, Loutella Moore, LeRoy Godowa, Corrine Godowa, Jeff N. Hull, B. W. Hamilton, Gilbert C. Nelson, George Anderson, Alameda Ashworth, Orville Davis, Donald Barkley, Pearl McNair, Raymond M. Faithful, Lila H. Amos, Cordelia Jackson, Owen Riddle, Dale McNair, Phyllis McNair, Lawrence L. Witt, Edward I. Mitchell, Ben F. Mitchell, Betty S. Mitchell, Betty Nealy, Darlene Sanchez, Mabel B. Shuey, Flornida L. Soto, Lauranda L. Captain, Marie D. McAuliffe, Birdie T. Joe, Philip D. Jackson, Anna M. Copperfield, Virgil D. Jackson, Jessie Jackson, Royce L. Brown, Eleanor McNoise, Pearl Allen Foster, Simeon B. Riddle, Jr., Mrs. Elsie Riddle, Christina Allen, Elnathan Davis, Leona W. Hoover, Patricia L. Hill, Wendell Brown, Avery Charles, Ruth Charles, Helen Lotches Merritt, Arlene Unive, Calvin Chipps, Charlie Hill, Pat Silvers, Lyda Miller, Ivy Anderson, Joe Miller, Jr., Ormie B. Jordain, Karen M. Hatcher, Grover Clarkson, W. E. Crim, Chauncy Miller Lotches, Armenia Brown, Minerva R. Brown, Reta N. B. Clarkson, Enid David Sortwell, James David, Marian Crain, Shirley Foster, Furman Crain, Gertrude Brown, Glen Brown, Carrie Weiser, Paul Bellm, Rose Marie Lang, Vernie Hood, Mrs. Vernie Hood, Lee Roy Hoover, Frances B. Weiser, Amelia B. Frost, Wilda Weiser, Leslie B. Robinson, Jr., Effie J. Barkley, Mildred Chavez, Glen S. Lopez, Elva Lopez, James E. Godowa, Jr., Irwin Weiser, Jr., Cleve Hecocta, Millie Wilson, Evangline Schonchin, Alice J. Chipps, Clarice Chipman, Jessie Hescock, F. G. Kirk, Wilbur Eggsman, Sr., Mabie Eggsman, Worden G. Eggsman, Fred Hood, Walter Eggsman, Pansy Douglas Ohles, Errol D. Hatcher, Lydia Crain, Ruth Kirk, Newton D. Moore, Robert Long, Grace Lalo, Blanche S. Shadley, Ransom Cowen, Nick Rossi, Jr., Paul Wilson, Ethel Miller Walker, Ivan Joe, Geraldine Dexter, Alma Walker, Irene Mann, Beatrice G. Walker, Marcella L. Allen, Albert R. Summers, Frank Summers, Marie Garcia Norris, Veryl J. Nelson, Carmelita G. Hicks, Carroll L. Shadley, Vernon R. Unive, Barbara B. Unive, Vera Walker, Myron L. Barkley, Dally D. Lotches, Don F. Kirk, Christine Dawson, John Jackson, Sr., Alfred Butler, Phoebe Foster, Mrs. Betty Lee Lotches, Mildred Moore, Melvira Tofthagen, George DuVall, Cassie L. Case, Lavinia Monteau, Orthelia C. Ortis, Clarence Henthorne, Enna Foster, Winnie M. Henthorne, Mary Burgdorf, Naomie Crain, Patsy Crume, Tillie Herkshan, Ruby Taylor, Linda Sandoval, Bybee Butler, Marvin Isaacs, Gerald F. Chester, Franklin Hoover, Frances Parks, Eldon James Cress, Nettie Alberta Cress, Alice O. Hood, Ronald J. Hatfield, Robert W. Kirk, Richard O'Donovan, Harry F. Wright,

Florence Cole, Edward Cole, Ida Hoppe, Effie Driscoll, William C. Walker, Harold Bell Wright, Ruby Wright, Vernon Joe, Victor Jackson, Luetta Hatcher, Howard Crume, Cassie Parazoo, Maryetta Wright, Lola Gallagher, Winifred Anderson, LeRoy A. Hicks, Norma Jackson, Robert O. Barkley, Laura J. Hoover, Ella Wilson, Leon Hicks, Clifford Barkley, Ellen E. Harrington, Elmira Wright, Melvin L. Barkley, Gladys Lotches, Rose Zamudio, Willard T. Hull, Beryl David, Christine Manning, Gaylor L. Hatcher, Tiny R. Dunagan, Jessie Anderson, Oscar Tilton Anderson, Harding Andy Brown, Enos Herkshan, Lloyd L. Lotches, John Alfred Barkley, Wayne Hatcher, Ruth Farris, Flava Yates, Barbara Riddle, Catherine Jackson, Leroy Jackson, Lupe Miller, Elwood Miller, Ramona Tupper, Arabella D. Johnson, Alvin Beal, Roland Hicks, Rufus Hicks, Nora Crume Foreman, Mildred Riddle, Myra Dick, Nora Hawk, Eda Mae Jackson, Harley Jackson, James Wright, Theodorna Wright.

Mr. CRAWFORD. I think it is very important because the petition shows, Mr. Chairman, the viewpoint of 240 adult members speaking for themselves and their children. They do not want any amendment to extend the time after 1960.

Senator NEUBERGER. In other words, they want the Termination Act to run its course as presently written?

Mr. CRAWFORD. Yes; either out and out Federal purchase or the Termination Act to run.

Senator NEUBERGER. Now you have qualified it. You said they do not want any change. You said out and out Federal purchase. Now, what do they want?

Mr. CRAWFORD. They do not want any time extended for which Mr. Wilkinson and others have been advocating to you and your committee. It shows that the members of the executive committee here before you yesterday and today do not represent those people's viewpoint and they do not represent the Klamath Tribe.

I want to say in that connection now, you notice that Mr. Wilkinson claims he is the tribal attorney and represents the Klamath Tribe. He does not represent me nor Mrs. Crawford nor our group, nor did he represent the people on this petition. I want to point out in that petition that no member of my family appears thereon. I had nothing to do with that petition and I know nothing about it. So it clearly shows that Mr. Wilkinson's firm and these delegates are not representing the trible, so we will have that settled once and for all.

Senator NEUBERGER. I would like to ask you a question about the point you just made. You said the signers of this petition would favor out-and-out Federal purchase. You said they would favor as one of the alternatives, out-and-out Federal purchase. Do they or do they not?

Mr. CRAWFORD. Just read the letter. It speaks for itself.

Senator NEUBERGER (reading):

We, the undersigned, enrolled members of the Klamath Tribe, are familiar with section 32 of H. R. 9737, which was introduced in the House of Representatives on January 8, 1958, by Representative A. Ullman, of Oregon. We note that this section provides that payment to tribal members for tribal lands purchased by the Secretary of the Interior be made in nonnegotiable, unassignable bonds issued by the Secretary of the Treasury, such bonds being payable in 20 equal annual installments.

We, the undersigned, are inalterably opposed to this bond proposal or to any other such plan which would defer payment to tribal members for tribal lands sold under section 5 of Public Law 587.

We, the undersigned, insist that immediately upon the sale, whether to governmental or private purchasers of the entire tribal estate to be sold, disbursement in full must be made to tribal members of their respective shares of funds received through such sale. We further insist that such sale and disbursements of funds must be accomplished not later than August 13, 1960.

If Federal purchase takes place, do you regard the price of $121 million mentioned in the appraisal as a fair price?

Mr. CRAWFORD. Mr. Chairman, I reserve the right to say because I do not have the complete appraisal, the certified appraisal approved by the Secretary of the Interior, and I will not commit myself as to whether that is right or wrong.

It may be exactly right; it may be too high; it may be too low. I cannot say that that figure is right. You asked that same question before. You were not able to determine what the actual appraisal would be. The law itself calls for appraisal of the economic units, and this little summary that was given us does not show how the appraisal was arrived at in economic units, so it is very difficult.

Senator NEUBERGER. If the certified appraisal proves to be $121 million, would you consider it a fair price?

Mr. CRAWFORD. I would have to consult with a timber consultant, so I don't feel now that I could say one way or the other.

Mr. GAMBLE. Are you saying in effect that you would not be content to accept that figure until you have had time to engage another forestry concern of some kind to evaluate the information collected by Western Timber Services?

Mr. CRAWFORD. It would not take me very long. After I had the final appraisal, possibly in 2 days, I would be able to give you a definite answer.

Senator NEUBERGER. But you are not able to give us a definite answer now whether you would regard that price as fair and satisfactory?

Mr. CRAWFORD. It would be shooting at the moon. I do not want to accuse the Management Specialists or anyone, the appraisers, of putting a value on our property without actually seeing the appraisal. I do not think it is fair. I do not think it is good judgment to do it and I do not think it is businesslike.

Senator NEUBERGER. There was a breakdown by categories of resources and land ownership in the appraisal submitted by Mr. Chilson when he appeared.

The point I am trying to get at, Mr. Crawford, is this: The purpose of this hearing is to advise Congress on the legislation before us. I am sure you must realize that the Members of Congress are going to scrutinize very carefully any authorization for a sum as vast as $121 million and perhaps more, and I am trying to develop through the testimony of tribal members who have appeared—and I have asked others the same question as well as yourself, and you have heard it asked—whether or not the sum of $121 million in this appraisal is regarded as fair by you.

Mr. CRAWFORD. I am sorry I cannot answer the question without further study.

I want to say here at this time, Mr. Chairman, in the last 4 or 5 days, and especially the first day of these hearings that you conducted here, I see that you and your staff have pointed out the bad features in the Seaton bill.

On the other hand, I also have heard the Department and its staff point out the bad features in your bill, so it seemed to me that both you and the Secretary of the Interior are terribly confused and divided. I do not know which of you is the minority or majority, but all in all, you have both written these bills on theory and assumptions.

You do not know what the appraisal actually is. You do not know how many Indians want to withdraw, so you have written a bill for Federal purchase with all of the assumptions and opinions.

Why, Mr. Chairman, with all the hearings that you held previous to now that you ignore people who do not agree with you and you do not follow their suggestions. At least find out further whether they are sound or not.

Let me give you an example. I notice that the national——

Senator NEUBERGER. At this point, I would like to ask Mr. Gamble a question on the point you have raised.

In your memory, Mr. Gamble, in all of the hearings we have held, has anybody except Mr. and Mrs. Crawford urged that the present Termination Act run its course?

I am trying to remember and my memory may be defective because I have been accused of ignoring the people who do not agree with me.

Mr. GAMBLE. I cannot recall a single instance where a witness has recommended to this subcommittee the present law on the statute books be carried out under its present terms.

Senator NEUBERGER. Except Mr. and Mrs. Crawford.

Mr. GAMBLE. Except Mr. and Mrs. Crawford.

Senator NEUBERGER. I am trying to remember and my memory may be faulty. Has anyone else urged that the present Termination Act run its course, because I have been accused of ignoring those who disagree with me, and I am trying to establish who else there is, besides yourself, who has expressed this view.

Mr. CRAWFORD. The members of the Klamath Tribe. You conducted a one-man hearing in Klamath Falls and throughout the State of Oregon.

Senator NEUBERGER. We conducted hearings in 2 successive years. Senator Murray and I conducted hearings in 1956, and I conducted hearings in Klamath Falls in 1957.

Mr. CRAWFORD. That is correct. You did, but instead of you making a survey and getting an actual survey of the Indans themselves that own this property, there have been all other kinds of organizations that come before your committee and testify and you never did find out from the Indians themselves by a referendum to find out how they felt about Public Law 587 or any amendments.

Senator NEUBERGER. Do you regard Mr. Jackson, the two Mr. Kirks, Mr. Cook as not representative of the tribe?

Mr. CRAWFORD. They can speak only as individuals. They cannot speak for the tribe.

Senator NEUBERGER. In other words, you do not regard them as representatives of the tribe, is that correct?

Mr. CRAWFORD. That is absolutely right.

Senator NEUBERGER. Yet, you, yourself, have come here purporting to represent others.

Mr. CRAWFORD. I come here to represent the individuals that want to withdraw from this mess that we are in and we are hoping that it it does not continue and that we can get out of it.

In addition to that I want to ask this: How much consideration have you given to the National Lumber Manufacturers Association—Mr. A. Z. Nelson?

Senator NEUBERGER. They were invited to testify at this hearing but they did not appear.

Mr. CRAWFORD. Mr. Nelson wrote a letter to you. It is in the record, and Mr. Nelson pointed out therein that he has knowledge of people who are interested in purchasing Klamath timber. Why didn't you find out more about that?

Senator NEUBERGER. If they are willing to purchase the timber, then would you favor S. 3051, the Department bill which I introduced by request that would give them a chance to purchase the timber? Would you favor that bill?

Mr. CRAWFORD. As I told you in the beginning, I am sticking to Public Law 587 until you show me something better and, to date, you have not been able to do it. You have not gotten together yourselves. How do you expect me to endorse it?

Senator NEUBERGER. If the Secretary of the Interior and I can get together and amalgamate the two bills, would you be satisfied?

Mr. CRAWFORD. I would certainly scrutinize that with a microscope.

Senator NEUBERGER. Were you active in urging the inclusion and the addition of the withdrawal provision to the Termination Act when it finally went through the Congress? Were you active back here?

Mr. CRAWFORD. Yes, I was.

Senator NEUBERGER. With whom did you work on including the withdrawal provision?

Mr. CRAWFORD. I worked with the Department of the Interior, in conferences with them and their representatives and Mr. Littell.

Senator NEUBERGER. Who is Mr. Littell?

Mr. CRAWFORD. An attorney in Washington, D. C. We employed him and paid him with our own funds.

Senator NEUBERGER. With whom did you work in the Department of the Interior in having the withdrawal provision included?

Mr. CRAWFORD. Mr. Sigler and Mr. Lee, the Commissioner of Indian Affairs, Mr. Emmons and Mr. Greenwood. The whole staff was there a number of times.

Senator NEUBERGER. And they collaborated with you in having the withdrawal provision included?

Mr. CRAWFORD. Yes; they did.

Mr. GAMBLE. Who designed the language?

Mr. CRAWFORD. It was a combination of the opinions of Mr. Wilkinson, Mr. Littell, Mr. Alexander, Mr. Jackson, Mr. Kirk and myself and the Department. We all agreed to the amendments.

Senator NEUBERGER. I am referring to the withdrawal provisions.

Mr. CRAWFORD. Yes, certainly, and the record in the House shows that we agreed to it.

Senator NEUBERGER. With whom did you work in the Congress, if anybody, on this matter?

Mr. CRAWFORD. Our Representative, Sam Coon, and the members of the House committee.

I want to say there, while you are on that point, which I hate to take up the time to do—I will offer the minutes of the general council of July 29, 1954, and page 9 of these official minutes will show the report of Glen L. Wilkinson and Boyd Jackson, and Jessie Lee Kirk.

I will offer that and have it inserted in the record so this will once and for all settle this question and it shows that the per capita payment we are talking about was in the Senate bill, and I will not take up any more time on that. It will speak for itself and I wish at this time to have that report printed in the record in full.

(The report referred to follows:)

EXTRACT OF MINUTES OF KLAMATH GENERAL COUNCIL MEETING OF JULY 29, 1954

* * * * * * *

Dibbon Cook, secretary, read the following report by request of Chairman Kirk:

JULY 26, 1954.

REPORT TO KLAMATH TRIBE

As we have previously reported, the Senate Committee on Interior and Insular Affairs, on June 25, 1954, reported favorably to the Senate the bill (S. 2745) to withdraw Federal supervision over the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians. Since that time we have been extremely busy attempting to obtain amendments to the bill which we believed would be beneficial to the Klamath Tribe.

The Senate committee action was taken in executive session. Thus your delegates were not afforded an opportunity to discuss the changes made by that committee. Also, the Senate committee included the per capita payment provision in the withdrawal bill. Although we had hoped to have these bills considered separately, lack of time made this impossible.

Since the bill as reported by the Senate committee was subsequently passed by the Senate, our negotiations since that time have been conducted primarily with Congressmen and staff members in the House of Representatives and officials of the Department of the Interior.

Until recently we had not abandoned attempts to obtain passage of the Klamath per capita bill while deferring action on the withdrawal bill. We attempted this in order to obtain more time for careful consideration. However, early this month, we became convinced that such a result could not be achieved. Accordingly we concentrated our efforts on attempts to obtain satisfactory amendments to the withdrawal bill as passed by the Senate.

Also, early in July we were advised by the Commissioner of Indian Affairs that Mr. Norman M. Littell of Washington has been retained by Mr. Wade Crawford in an attempt to obtain amendments to the withdrawal bill on behalf of some members of the Klamath Tribe desiring to withdraw from tribal membership and receive payment of their individual shares of the tribal property. At first we were hesitant to enter into negotiations with Mr. Littell because his client had no official status with respect to the Tribe. However, because time was of the essence we determined that we should overlook any technical question of authority of representation and Mr. Wilkinson informed Mr. Littell that we would give consideration to any suggestions he had. The first draft of Mr. Littell's proposed amendments was presented to Mr. Wilkinson on July 7.

Prior to that time we had held several conferences with Bureau officials. Such conferences were continued until about July 13. By that time there was general agreement with Bureau officials on the form the legislation should take. Thereafter the conferences were enlarged, at the suggestion of the Commissioner, to include Messrs. Littell and Crawford. Congressman Coon participated actively in the final stages of these negotiations. These conferences culminated on July 16 in an agreement whereby the bill would, subject to approval of the House Committee on Interior and Insular Affairs and the full House and Senate, provide substantially as follows:

1. Close the rolls on the date of enactment of the act.
2. Provide for a per capita payment of $250 to each member of the Klamath Tribe.
3. Direct the Secretary to retain qualified management specialists, who were to accomplish the following steps: (We agreed to this in an effort to remove this program from tribal politics and also to place it in the hands of qualified and independent persons as much as possible.)

(*a*) Cause a complete appraisal of tribal property to be made.

(*b*) Give each member of the tribe an opportunity to say whether he wants to withdraw and have his interest paid to him or remain in the tribe and participate in a tribal management plan to be prepared.

(*c*) Determine the portion of tribal property allocable to withdrawing members: and arrange for its sale and distribution of proceeds to the withdrawing members. (This is to be done only after due consideration is given to retention of practicable economic logging units or other appropriate units to be retained for the remaining members of the tribes.)

(*d*) Cause studies and reports to be made and a plan prepared for future management of tribal property.

4. Federal supervision is to end 4 years following approval of the act.

All of these functions must be carried on under the general supervision of the Secretary of the Interior since he continues under legal obligation to properly manage Klamath affairs until Federal supervision is finally terminated.

What this will amount to, in brief, is that those members who have been agitating for an opportunity to withdraw will now have that opportunity if the bill as reported by the House committee is adopted by the House and accepted by the Senate. The bill as amended eliminates the provision which would have given the Secretary the option to liquidate the reservation.

It is believed that the bill will come up for consideration in the House this week. If, as we expect, the bill is passed by the House, it will then be referred to the Senate. It will be considered by the Senate Interior and Insular Affairs Committee and, if that committee approves, it is likely that the House version will become law. If the Senate committee should disapprove of the House version, it will be necessary that the Senate and House appoint members of each Interior and Insular Affairs Committee to serve on a conference committee. That committee will issue a report to the Senate and House and each body will have an opportunity to adopt or reject that report.

In connection with the time involved in eventual termination, Mr. Crawford was at first insistent that a period much shorter than 4 years be provided. He dropped this contention, however, when Commissioner Emmons pointed out to him that all necessary steps could not be completed within 3 years, and that schedule would not allow for unforeseen problems.

We know of no authorization under which Mr. Wade Crawford represents the tribe or any portion of the tribe. For the information of members of the tribe, we set forth hereunder the statement made by Mr. Crawford before the Indian Subcommittee of the House Committee on Interior and Insular Affairs on July 16:

"Mr. BERRY. Mr. Wade Crawford, will you give for the record your full name and the capacity in which you appear?

"Mr. CRAWFORD. My name is Wade Crawford, a member of the Klamath River Reservation. Mr. Chairman, I agree with the bill and with the amendments that have been discussed this morning by Mr. Sigler.

"Mr. BERRY. Thank you.

"Mr. CRAWFORD. They are all right. I do believe our group, numbering some 300 members of the reservation, who believe in our individual rights, and we want to live in Oregon under the laws of Oregon as citizens of Oregon and we do not want to be living under any other."

In conclusion, we desire to advise the tribes that we believe one of the most desirable features of the bill, and one which has encouraged us to agree upon the bill as reported by the House committee, is that which provides for a complete and accurate appraisal of tribal property. This, we believe, is an important prerequisite to a determination of future policy for the tribes. It is a necessity which has been recognized since final settlement, final roll, incorporation, withdrawal, and similar legislation has been considered—a period extending over 30 years.

The bill, as amended by the House committee, will allow the Loan Board to continue its operations until title to tribal property is transferred by the Secretary to a corporation or other business entity. It may be, therefore, that you will want to have the general council, in the July 29 meeting, consider whether the vacancy on the Loan Board should be filled and action taken to accomplish that result.

Respectfully,

BOYD J. JACKSON.
JESSE L. KIRK, SR.
GLEN A. WILKINSON,
Tribal Attorney.

Comments were made by members on the report.
Motion by Delford Lang: "I move that this council accept the report of all the delegates, all the way down—I make that as a motion."
Seconded.
Result of motion: Motion carried by "ayes." (Report accepted.)

* * * * * * *

Mr. CRAWFORD. There has been some inference made that I had something to do with putting the per capita payment in that bill, and I had nothing to do with it. I was not heard before the Senate committee and the only time I took part in this was when the bill came over to the House. Senator Cordon and Senator Morse knew about this. You had better ask your friend, Senator Morse, about that.

Senator NEUBERGER. Did you discuss this with them?

Mr. CRAWFORD. No; I picked the bill up in the House.

Senator NEUBERGER. How are you free to say they both knew about it?

Mr. CRAWFORD. Cordon and Morse were our Senators in the Senate and Cordon reported the bill out on the floor of the Senate. Morse is as much to blame for it as Cordon is. I don't think anyone is to blame. I think at that time Senator Morse was heartily in favor of it because he has talked to me about it many, many times.

He thought the Indians should be free from this bureaucracy and he so made the statement on the floor of the Senate many times, and the record speaks for itself.

Before I go any further, I would like to point out that last fall, in October, three timber sales were made on the Klamath Reservation which forced the Indians again to subsidize sustained yield, so I offer for the record the lumber companies that had purchased the timber and a map here showing the units that were contracted.

It is common knowledge that the Indians are paying very dearly for subsidizing sustained yield, and it has cost us millions of dollars over this period of 41 years that this has been going on.

I want to say there was no reason for making those timber sales other than that the lumber companies wanted the logs. They were just log hungry and they did not have any logs and they went in there and grabbed. It was a quick sale. You have heard the terms "fire sales," "quick sales," "boom-and-bust sales." Well, this was a "quick sale."

It was advertised in the local paper for 30 days and was approved of within a week and the lumber companies were in there cutting the timber within 24 hours from the time the sale was approved. So you cannot say that it was done for the Indians. They had at that time $2,190,649.75.

Senator NEUBERGER. Mr. Crawford, I want to say this one thing.

Mr. CRAWFORD. I offer this for the record.

Senator NEUBERGER. It has been offered for the record and it will be included.

(The information is as follows:)

2B. Klamath Lumber & Box Co.:		
Ponderosa pine	$39.50	
Sugar pine	38.50	
Lodgepole and other	6.00	
Chiloquin Timber Co.:		
Ponderosa pine	40.55	
Sugar pine	40.55	
Lodgepole and other	6.00	
High		$452,740.75
2C. Klamath Lumber & Box Co.:		
Ponderosa pine	42.76	
Sugar pine	38.00	
Lodgepole and other	6.00	
High		479,406.00
Simplot-DeVoe Lumber Co.:		
Ponderosa pine	40.65	
Sugar pine	40.65	
Lodgepole and other	6.00	
Chiloquin Timber Co.:		
Ponderosa pine	39.30	
Sugar pine	39.30	
Lodgepole and other	6.00	
3A. Chiloquin Timber Co.:		
Ponderosa pine	39.80	
Sugar pine	39.80	
Lodgepole and other	6.00	
Modoc Lumber Co.:		
Ponderosa pine	42.70	
Sugar pine	38.00	
Lodgepole and other	6.00	
High		441,260.00
Total		1,373,406.75
Average		41.90

(The map was unsuitable for reproduction and is on file with the committee for reference purposes.)

Senator NEUBERGER. Inasmuch as you mention the names of a number of Senators and Congressmen, I think the record should contain the names of Senators and Representatives of the Interior Committees of the House and Senate of the 83d Congress, 2d session, when these bills were reported and the names of the members of the Indian Subcommittee.

It is only fair that they be included in the record so I will ask Mr. Gamble at this point to obtain the personnel of both the Interior Committee of the House and of the Senate at the time this legislation was enacted.

(The committees and subcommittees of the 83d Cong., 2d sess., referred to above, are as follows:)

SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

GUY CORDON,, Oregon, *Chairman*

EUGENE D. MILLIKIN, Colorado
GEORGE W. MALONE, Nevada
ARTHUR V. WATKINS, Utah
HENRY C. DWORSHAK, Idaho
THOMAS H. KUCHEL, California
FRANK A. BARRETT, Wyoming
EDWARD D. CRIPPA, Wyoming
JAMES E. MURRAY, Montana
CLINTON P. ANDERSON, New Mexico
RUSSELL B. LONG, Louisiana
HENRY M. JACKSON, Washington
PRICE DANIEL, Texas
ALTON LENNON, North Carolina
THOMAS A. BURKE, Ohio

SENATE SUBCOMMITTEE ON INDIAN AFFAIRS

ARTHUR V. WATKINS, Utah, *Chairman*

HENRY C. DWORSHAK, Idaho
THOMAS H. KUCHEL, California
CLINTON P. ANDERSON, New Mexico
ALTON LENNON, North Carolina

HOUSE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

A. L. MILLER, Nebraska, *Chairman*

WESLEY A. D'EWART, Montana
JOHN P. SAYLOR, Pennsylvania
WILLIAM H. HARRISON, Wyoming
J. ERNEST WHARTON, New York
E. Y. BERRY, South Dakota
H. R. GROSS, Iowa
GEORGE H. BENDER, Ohio
WILLIAM A. DAWSON, Utah
JACK WESTLAND, Washington
JOHN R. PILLION, New York
CLIFTON (CLIFF) YOUNG, Nevada
CRAIG HOSMER, California
JOHN J. RHODES, Arizona
HAMER H. BUDGE, Idaho
CLAIR ENGLE, California
KEN REGAN, Texas
LLOYD M. BENTSEN, JR., Texas
WAYNE N. ASPINALL, Colorado
SAMUEL W. YORTY, California
JAMES G. DONOVAN, New York
LEO W. O'BRIEN, New York
WALTER ROGERS, Texas
GRACIE PFOST, Idaho
JAMES A. HALEY, Florida
GEORGE A. SHUFORD, North Carolina

MRS. JOSEPH R. FARRINGTON (Delegate), Hawaii
E. L. BARTLETT (Delegate), Alaska
A. FERNÓS-ISERN (Commissioner), Puerto Rico

HOUSE SUBCOMMITTEE ON INDIAN AFFAIRS

E. Y. BERRY, South Dakota, *Chairman*

A. L. MILLER, Nebraska
WESLEY A. D'EWART, Montana
JOHN P. SAYLOR, Pennsylvania
WILLIAM H. HARRISON, Wyoming
J. ERNEST WHARTON, New York
JACK WESTLAND, Washington
CLIFTON (CLIFF) YOUNG, Nevada
JOHN J. RHODES, Arizona
CLAIR ENGLE, California
WAYNE N. ASPINALL, Colorado
JAMES G. DONOVAN, New York
JAMES A. HALEY, Florida
GEORGE A. SHUFORD, North Carolina
E. L. BARTLETT, Alaska

Senator NEUBERGER. You have 10 minutes more. Do you want to address yourself to the 2 bills that are before us and on which we are going to take some subcommittee action of one kind or another, in those remaining 10 minutes?

Mr. CRAWFORD. I want to say this, Mr. Chairman, that at this time, with all of the confusion and the wide difference between you and the Secretary of the Interior and the Department of Agriculture, that I cannot——

Senator NEUBERGER. I would not say it was a wide difference. We have a disagreement only on certain points.

Mr. CRAWFORD. You are taking up my time. You can answer that after I am through.

I just want to say this: Do you have a letter, Mr. Chairman, of February 6, 1958, from C. Robert Mathis stating that they are willing to buy the entire reservation for cash, and I mention this now because you have repeatedly said that people are not interested.

Senator NEUBERGER. I have not repeatedly said that at all.

Mr. CRAWFORD. So you are insisting upon Federal purchase.

Here is a very reputable firm of attorneys that have clients who are willing to pay cash for that entire reservation and pay the fair-market value. Mr. Seaton's bill refers to private and Government purchase. I think you had better look into this a little bit.

Senator NEUBERGER. This letter is going to be offered for the record.

The letter is dated February 6, 1958, from Mr. C. Robert Mathis, who is a member of the Washington office of Davies, Richberg, Tydings, Landa & Duff, and the salient paragraph I am going to read because it is only one sentence:

> We represent a client who for some time past has been, and still is, very much interested in purchasing the entire Klamath forest, and all Klamath tribal lands, for a cash consideration.

Would you favor an enactment of S. 3051 so the client could bid upon the 11 blocks of timber?

Mr. CRAWFORD. They are willing to buy it without any amendments in Congress, are willing to buy it under Public Law 587 and pay cash for everything.

Senator NEUBERGER. Are they willing to have a sustained-yield basis?

Mr. CRAWFORD. I can't speak for them. The letter speaks for itself. I happened to get a copy of the letter.

Senator NEUBERGER. Do you think it would be a good idea to ask Mr. C. Robert Mathis to come before the subcommittee?

Mr. COBURN. I think the offer should be examined.

Senator NEUBERGER. For the record, I will say publicly that I intended to conclude these hearings at noon today, and we are going to conclude them in 5 minutes for today only. I am going to invite Mr. C. Robert Mathis, of Davies, Richberg, Tydings, Landa & Duff, to come—I don't know if he is in the room—before the subcommittee and amplify this offer which has been presented in a letter, which will be inserted in the record at this point.

(The letter is as follows:)

WASHINGTON, D. C., *February 6, 1958.*

Subject: S. 2047 and S. 3051, Klamath Indian Reservation.

Hon. RICHARD L. NEUBERGER,
Chairman, Indian Affairs Subcommittee of Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

MY DEAR SENATOR NEUBERGER: We undestand that hearings have recently been in progress regarding the sale or other disposition of the Klamath tribal lands.

We represent a client who for some time past has been, and still is, very much interested in purchasing the entire Klamath forest, and all Klamath tribal lands, for a cash consideration.

Sometime about the middle of 1957 the undersigned met with the Honorable Hatfield Chilson, Under Secretary of the Interior, and during the meeting informed him of the foregoing.

I am informed that Under Secretary Chilson recently appeared as a witness before your committee and stated in effect that he did not know of any private party who is interested in purchasing the Klamath lands and forest. Perhaps Mr. Chilson may have overlooked or not remembered our meeting and the information we gave him regarding a potential purchaser. I am sending Mr. Chilson a copy of this letter and requesting that he confirm to your committee my meeting and conversation as set forth herein.

In any event, the purpose of this letter is to inform you that we still represent this party and that he presently is interested in purchasing the Klamath forest and tribal lands for cash provided that a fair value can be established and agreement can be reached on other necessary factors. We have requested that our name be placed on the list of those to receive information regarding the availability of this timber and these lands for purchase. We would appreciate it if you would have our letter incorporated in the transcript of your hearings regarding the subject bills.

Respectfully yours,

DAVIES, RICHBERG, TYDINGS, LANDA & DUFF,
By C. ROBERT MATHIS.

Mr. CRAWFORD. This is a very unpleasant task I have and I speak for Mrs. Crawford and myself, in coming before the committee to try to work out something for the best interest of the Klamath Indians.

I think the decent thing to do is to sit down as business people and as the timber owners, to sit down with people who are interested in purchasing timber, timber buyers, and get all the information that is available with regard to the timber and the lands and do it in a businesslike way rather than a political show that is going on here now that never has accomplished anything.

Mr. Jackson and his group have advocated and discussed with you, to extend the time on this subject to have further hearings. They have had hearings with Governor McKay when he was governor. They had hearings with the interim committee that was here before your committee. They have had hearings with the Department of Interior and hearings all over the country and they want to continue to travel around and make big speeches and draw their pay and complain and drag this thing on over a period of years in an endless chain of studies and studies.

I wrote in my lifetime four plans for the Klamath Indians to administer their property and one of these plans was for them to completely take over from Government supervision, and the Indians turned it down. Mr. Jackson wrote a plan and the Indians turned it down. Why go on and on like this? It is a burden to the taxpayers of the country and it is going to break the Klamath Indians if this sort of procedure is continued.

Senator NEUBERGER. I thank you, Mr. and Mrs. Crawford.

Mrs. CRAWFORD. I would like to have this inserted in the record. It was taken from the financial record in the Klamath Agency. Mr. Olney gives the overall costs of all expenditures, tribal funds for fiscal year 1957: $759,946.95.

That, Senator, is our concern; these tribal funds are going down the drain. As you have heard the testimony, children own more than half of these equities. We have to stop this drain. We have to stop these exorbitant costs. It is going to break us.

(The information referred to is as follows:)

Balance tribal funds

June 30, 1954, balance	$2,629,674.08
June 30, 1955, balance	1,890,915.26
June 30, 1956, balance	2,485,044.97
June 30, 1957, balance	3,803,796.71
Minus	853,200.00
Nov. 14, 1957	2,950,596.71
Klamath Agency administration budget deducted leaving balance as of Nov. 20, 1957	2,190,649.76
	759,946.95

Senator NEUBERGER. I think you are aware, if I am not mistaken that I managed to get a bill through the Senate last year to reimburse the tribal funds for what the Interior Department estimated to be the full termination costs.

Mrs. CRAWFORD. No, it could not possibly be, Senator Neuberger. In addition to all of these funds, we are losing costs in timber mortality and interest on money——

Senator NEUBERGER. We are talking about tribal funds. We got a bill through the Senate to reimburse the tribe for their termination costs and the House of Representatives cut it in half. I just want the record to show that.

I wanted to ask you one question, Mrs. Crawford. Last October you said this at our subcommittee hearing in Oregon:

> I am willing to go along with you if you can show me that we are getting a fair price for our property, because I want to be fair to you and everybody else, but I want this everlasting propaganda stopped against the Indians.

The question I wanted to ask you is this: If you felt that the appraisal price was fair, would you be willing to support one of these two bills that is presently before this subcommittee?

Mrs. CRAWFORD. I have to say to you, Senator, that I must have the appraisal, a certified appraisal, from the people who are employed and paid with our tribal fund, before I can answer you intelligently.

Senator NEUBERGER. Thank you very much, Mrs. Crawford. We appreciate both you and your husband coming here today and giving us the benefit of your opinions.

Mr. CRAWFORD. Thank you, Senator Neuberger.

Senator NEUBERGER. I had hoped to conclude the hearings today, but we are going to hear from Mr. C. Robert Mathis, because I believe that the statements made in his letter should be amplified for the hearing's record.

There are a number of items I want included in the record. I have an article from the Christian Century, entitled, "Klamath Tribe Nears Crisis."

There are a great many messages which I think Mr. Gamble, the clerk, can classify and include as he sees fit and at his discretion, and some opinions and statements from representative groups in the State of Oregon and elsewhere.

The American Law Division of the Library of Congress has submitted at my request an analytical study of S. 3051 that will be inserted in the appendix.

We also have the chronological record of the informational meetings with tribal members and information made available to tribal members regarding termination proceedings. This has been received from the Management Specialists and made available to me through Mr. Lee of the Indian Affairs Bureau.

I believe it is a most impressive record and it bears out my opinion that the Management Specialists have made a conscientious effort to acquaint the tribal members with the proceeding and plans and programs contemplated and undertaken and I am going to ask that the full list of these various undertakings in context appear in the record.

Senator NEUBERGER. Do you have anything else, Mr. Coburn?

Mr. COBURN. No, I do not.

Senator NEUBERGER. We will stand in recess subject to the call of the committee chairman.

(Whereupon, at 12:04 p. m., the hearing in the above-entitled matter was recessed.)

Whereas under Federal Government administratiou, the practice of sustained-yield forestry will be followed, thus protecting the watershed value of this area to the maximum; and

Whereas under Federal Government administration, the welfare of the Klamath Indian will be paramount: Now, therefore, be it

Resolved, That the public lands committee of the Lake County Chamber of Commerce be on record of favoring the management specialist committee's recommendation of Federal Government acquisition of the Klamath Iudiau Reservation.

R. L. Weir, Jr.,
President, Lake County Chamber of Commerce.

Dated at Lakeview, Oreg., this 30th day of September 1957.

Statement of Policy of the Klamath County Division of the Oregon Education Association

The Klamath County division of the Oregon Education Association believes:

1. That Federal or State supervision of any group of people for a long period of time is not good. The Indian, like any other member of society, is capable of making a good adjustment to society without such supervision. Congress is to be commended for its effort to terminate that supervision.

2. The sudden disposal of the assets of the Klamath Indian Tribe would not be in the best interest of the Iudian people or the people of Oregon and California.

With such a large block of timber going on the market, it seems obvious that the price of timber would decrease and the Indian would not get full value for his assets.

Modern forestry practice has shown the value of sutained-yield cutting. Under this plan, the watershed, which is so important to the agricultural, recreational, power, and lumber iudustries of the Klamath Basin, will be preserved. Federal purchase of the tribal lands would assure such a plan. Sustained-yield cutting would assure the Klamath Basin of a steady economy rather thau a "boom-and-bust" economy. Rapid disposal would necessitate selling in small units to companies who would probably cut out and get out.

The schools of the area would become overcrowded, additional buildings would be needed, later to be left vacant as the trees and people were gone.

3. Therefore, we believe that Federal purchase of these tribal properties would be in the best interest of the Indian, the Klamath Basin, the States of Oregon and California, and the United States of America.

Senator Neuberger. Mr. and Mrs. Wade Crawford are our next witnesses. Mr. and Mrs. Crawford, we are glad to have you here.

STATEMENT OF MR. AND MRS. WADE CRAWFORD, MEMBERS OF KLAMATH TRIBE EXECUTIVE COMMITTEE

Mr. Crawford. Thank you, Senator. Senator, Mrs. Crawford and I, we appear here before your committee, as you know, representing the people that enrolled on the Klamath Reservation that want to withdraw from Federal supervision. I think that has been a matter of record over a period of years, and I think that the record shows before this Congress that we are the official representatives of the 75 percent of the Indians that want to withdraw from Federal supervision. There is a petition filed before the different committees of Congress to verify that. So, we speak for 75 percent of the Indians that are interested in withdrawing from Federal supervision.

Senator Neuberger. By what machinery is that decided? Were you elected by 75 percent of them?

Mr. Crawford. We were; that was by petition of the Indians that are enrolled on the reservation, speaking for them and their families.

Senator NEUBERGER. In other words, by petition you are representing 75 percent of the Indians?

Mr. CRAWFORD. That is right. That is, let's put it this way: We represent the Indians that want to, that have stood to withdraw from Federal supervision, and your survey by the Management Specialists through the Stanford Research and their own survey shows that from 61 to 75 percent of those Indians want to withdraw from Federal supervision as individuals.

Senator NEUBERGER. What is the title of Mr. Jackson and Mr. Cook and Mr. Kirk? What title did they have, with respect to Indian representation?

Mr. CRAWFORD. They are members of the executive committee.

Senator NEUBERGER. How were they chosen?

Mr. CRAWFORD. They were elected by the secret-ballot vote of the Indians that lived on the reservation. They were not elected; they were not elected by the Indians that were entitled to a secret-ballot vote on and off the reservation. Jackson, the council records shows that they opposed, were in opposition to give the Indians a right to vote for the executive committee by absentee-ballot votes, and we have Indians living in 18 States besides Oregon, and those people were denied of a vote to elect someone to represent them on handling their tribal affairs and representing the tribe as a group. And the record shows that.

Mr. GAMBLE. Mr. Crawford, are you a member of the tribal executive committee?

Mr. CRAWFORD. Mrs. Crawford and I both are.

Mr. GAMBLE. Were you elected by the tribe, both by absentees and by those living on the reservation?

Mr. CRAWFORD. Not from absentee ballot. We were elected the same time Mr. Jackson, Mr. Kirk, and the present executive committee were elected.

Senator NEUBERGER. In other words, you were elected by the same procedure?

Mr. CRAWFORD. By the same procedure, which we opposed We don't think it is proper representation because we have got over, well, we have Indians living in 18 States and throughout the adjoining towns of the reservation that didn't have an opportunity to elect someone to represent them.

Mr. WOLF. Mr. Crawford, just to clarify in my mind who you represent, you say 75 percent of the Indians wish to withdraw?

Mr. CRAWFORD. That's right.

Mr. WOLF. That is as shown by the Stanford Research Institute?

Mr. CRAWFORD. And by the Management Specialists' own survey.

Mr. WOLF. Did 75 percent of the Indians elect you to represent them?

Mr. CRAWFORD. No.

Mr. WOLF. How many elected you to represent them on this matter, on withdrawal?

Mr. CRAWFORD. I think if you will examine the petitions you have in your files and the record, I think there are 225 of the adults which represents about possibly 600 or 700 children.

Mr. WOLF. In other words, 225 adults have petitioned you to represent them but it is not by an election?

Mr. CRAWFORD. That is right. We were denied an election last year and so that was the only way the Indians had to get representation before this last Congress.

Mr. WOLF. Who sent them the petition?

Mr. CRAWFORD. What do you mean who sent them the petition?

Mr. WOLF. Who sent the petition to the people to ask you to represent them?

Mr. CRAWFORD. The Indians carried it around themselves.

Mr. WOLF. Various people?

Mr. CRAWFORD. Yes.

Mr. WOLF. Who were also associated in withdrawal?

Mr. CRAWFORD. That is right.

Mr. WOLF. But this doesn't constitute an election in any sense.

Mr. CRAWFORD. No, it doesn't.

Senator NEUBERGER. Is there a tribal constitution of the Klamath Tribe?

Mr. CRAWFORD. Yes, there is, but it never has been approved of by the Secretary of the Interior, which formally the constitutions require the approval of the Secretary of the Interior.

Senator NEUBERGER. Does the constitution provide for absentee balloting?

Mr. CRAWFORD. No, it doesn't. But it was a form that was used in prior elections that absentee ballots be used and it was the decision of the Secretary of the Interior, Clarence A. Davis.

Senator NEUBERGER. He was Under Secretary?

Mr. CRAWFORD. Yes, he was Under Secretary. I will read you his decision in this matter. It is very short.

Senator NEUBERGER. Just do it by reference.

Mr. CRAWFORD. It is pages 3 to 5 in the hearings before the—joint hearings—before Congressman Chudoff's committee, and we placed it in the record at that time.

Mr. WOLF. Those were hearings on Federal timber sale policy?

Mr. CRAWFORD. Yes. November 15, 1955. In here Mr. Davis wrote a letter of instructions to the members of the Klamath Reservation instructing a decision to be made by the members. I will have Mrs. Crawford read it. It is real short.

Mrs. WADE CRAWFORD (reading):

To the voters of the Klamath Tribe: Section 23 of Public Law 587 which provides for the termination of Federal supervision over the property of the Klamath Tribe states that the Secretary of the Interior may in his discretion provide for tribal elections on matters pertaining to management and disposition of tribal assets. Section 5 of the same law directs that the Secretary retain management specialists to deal with the appraisal of disposition and distribution of tribal assets as well as to prepare plans for the management of tribal property in order to carry out these functions without waste of time, effort, and money. It is imperative that the management specialists be given the opportunity of working closely with representatives of the tribe.

I am unwilling to designate any particular person or group of persons to represent the tribe in this important matter without first being assured that such persons are the choice of a majority of the tribal members. I am fully aware that it has been the custom of the Klamath people to meet in general council to discuss and take action on matters of interest to the tribe as a whole. Also, I recognize that this Department in the past has taken action on recommendations of the general council as well as recommendations of the Klamath executive committee to which the general council has delegated authority to act for it in certain matters.

However, it is not convenient for all the adult members of the tribe who have an equity in the tribal assets to attend meetings of the general council and I deem it to be of the utmost importance that all members be given an opportunity to express themselves in the matter of the termination of Federal supervision over the assets of the tribe.

In order to accomplish this, I have requested the area director of the Portland area office to hold an election by mail for the purpose of selecting representatives to serve on a committee to represent the tribe in working with the Management Specialists. I urge that you take advantage of this opportunity and indicate your choice on the enclosed ballot and mail it to the superintendent of the Klamath Agency as soon as possible. Signed, Clarence A. Davis, Acting Secretary of the Interior, April 21, 1955.

Senator NEUBERGER. May I ask just one thing? It refers to an election in here and in Secretary Davis' letter. Now, was such an election held?

Mr. CRAWFORD. Yes, it was.

Senator NEUBERGER. And who was elected?

Mr. CRAWFORD. Laurence Witt and Seldon Kirk and myself.

Senator NEUBERGER. And then what happened? Were you authorized by the Secretary to speak for the tribe in these matters?

Mr. CRAWFORD. We spoke; we were authorized and functioned for about 6 months after that election. In fact, they had two elections. They had a first election, then a runoff election, so we were elected twice under the same procedure, and then we acted for about 6 months until the Secretary of the Interior and the Commissioner of Indian Affairs arbitrarily cut off the use of tribal funds to pay us.

Senator NEUBERGER. Why did they do that?

Mr. CRAWFORD. One of your dictators. You ask them why they did it.

Senator NEUBERGER. Well, now, this was done by Commissioner Emmons and Secretary McKay. These are the people you are referring to, I presume?

Mr. CRAWFORD. Yes, that is right.

Senator NEUBERGER. Did they have any reason? Did they give any reason?

Mr. CRAWFORD. The only reason they gave us was that it required the approval of our budget, required the approval of the general council of our budget.

Senator NEUBERGER. All right. Please go ahead.

Mr. CRAWFORD. But I just wanted this, it is important.

Mr. WOLF. Wouldn't the general council approve your budget?

Mr. CRAWFORD. We never submitted it to them.

Mr. WOLF. Then they never had a chance?

Mr. CRAWFORD. Well, listen here, Mr. Wolf.

Mr. WOLF. I am not making a statement; I am asking a question.

Mr. CRAWFORD. Here, under the law, under Public Law 587, the Secretary of the Interior could approve of our budget without being referred to the council. He has complete control over it. They approved of the Management Specialists' budget without submitting it to the general council.

Mr. WOLF. That is what I wanted to get.

Mr. CRAWFORD. That certainly is true.

Senator NEUBERGER. Let's go ahead.

Mr. CRAWFORD. I think it is important, Senator, that we go into this just a little bit further here, for this reason: You are here to find out the attitude of the Klamath Indians regarding your bill S. 2047, and

you want to get fair and square, the facts regarding the Indians and the management of this forest, and when you come to the Indians to find out their attitude, who is their spokesman? Why, they are their spokesmen. That should be substantiated by the record. And on page 305 of that same hearing, I will read you one short paragraph. Senator, may I have your attention now please? It was expressed here this morning by three members of the executive committee that they favored Federal purchase of the tribal timber and stating they spoke with authority to represent the tribe. I will read you the authority that they are acting under.

In August 21, 22, 1952, in general council at Beatty, Oreg., the resolution that the Klamath General Council assembled on this 21st day of August do hereby delegate to the executive committee for the promotion of their general welfare and the regulations of our tribal affairs, constitutional powers to act in the name of the general council when circumstances so warrant it.

A vote was taken on that and the vote was 21 to nothing. Now, in our constitution, it requires 100 present before any business can be transacted. And the constitution also requires 50 percent or more for the voters to decide any subject that would represent the action of the council. So 21 people voted for this resolution in that general council and that is the authority that the executive committee sat here this morning and told you they represented the Klamath Indians. And that is certainly not true. It is not official. This was a resolution passed in 1952 and has nothing to do with Public Law 587. Public Law 587 doesn't give you one section of the law that requires the executive committee to speak for the tribe.

Senator NEUBERGER. Mr. Crawford, let's get down to cases. Who is authorized to speak for the Klamath people?

Mr. CRAWFORD. As I interpret the law, Senator, it is the individual speaks for himself, because each member of that tribe, they speak for themselves and their families. The adults speak for their children. I think this law is very clearly carrying out the intention of Congress was to terminate all Federal supervision with the Indians and put the Indians on their own as citizens of this country.

Senator NEUBERGER. Why don't you then give us—you are speaking for yourself then—why don't you give us the benefit of your views on S. 2047?

Mr. CRAWFORD. Senator, before I leave that subject, I want this clearly understood: that the official records show that that executive committee does not represent the tribe and I don't want to see in the newspaper headlines "Tribal Council Executive Committee Endorses Federal Supervision," because it will be false propaganda.

Now, I know what has been going on here regarding putting some of these deals over. Now, we have experienced it in the past year of severe publication against the Indians which has been untrue and it has not been fair to the Indians.

Senator NEUBERGER. I am sure you realize I can't govern the newspaper headlines.

Mr. CRAWFORD. I understand that, but I don't want you to go down to Congress and tell that Congress that the executive committee represents the individual members of this tribe and can speak for them and they are in favor of your bill S. 2047. Now, you can't honestly do that and I want to warn you now, you won't be telling the Congress the truth if you do it because you can't prove it.

Mr. GAMBLE. Mr. Crawford, may I ask you a question? Have the Management Specialists or anybody who works for them ever asked you whether or not you support their recommendation to this committee with respect to Federal acquisition of the tribal property?

Mr. CRAWFORD. Have they ever asked me?

Mr. GAMBLE. Yes. Have they ever asked you, do you support the recommendation we are making to the Senate Committee on Interior and Insular Affairs, Subcommittee on Indian Affairs?

Mr. CRAWFORD. No, they haven't.

Mr. GAMBLE. Do you know if they have ever asked any member of the tribe or groups of Indians on the reservation whether or not they favor or do not favor Federal acquisition?

Mr. CRAWFORD. Not that I know of; no, sir.

Mr. GAMBLE. That is all, thank you.

Senator NEUBERGER. I would like to say this to you, Mr. Crawford, and I think you ought to know this. I have only been in the Senate a relatively short time. In the time I have been here, I have been a member of the Indian Affairs Subcommittee. I have tried to interest myself as best I could with what poor light I have in the Klamath situation. I have had a good many conferences with Mr. Jackson and his associates, Mr. Cook and Mr. Kirk; fewer conferences with Mr. Davis, but a great many with Mr. Jackson and the two men I mentioned first after his name.

I think you were the only person, to my knowledge, who is a member of the Klamath Tribe who has written me. There may be 1 or 2 others at most. Mr. Witt I think besides you, maybe 1 or 2 others, but at most 5 or 6 who have ever written me that Mr. Jackson and his associates were not speaking for the tribe. Now, if they are arrogating unto themselves authority which they do not have, certainly I would think that there would be a great deal more protest from a group as large as the Klamath Tribe.

Mr. CRAWFORD. Senator Neuberger, if you will examine the petitions that are in your office, which I hope that you have read, undoubtedly you have not, the petitions stating that the executive committee did not have the authority to employ the attorneys, O'Neil and Wilkinson, and they were employed by the executive committee, and these Indians were protesting for those contracts to be continued, and nothing has been done about it, and the same regarding the Management Specialists, that nothing has been done about that.

Senator NEUBERGER. Were you opposed to the employing of the Management Specialists?

Mr. CRAWFORD. Yes, I was. I was opposed to their contract. I was opposed to paying them a thousand dollars a month with all their expenses. I was opposed to the provisions in the contract between them and the Secretary of the Interior because I knew that contract wasn't written in accordance with law, and I pointed it out to Secretary McKay and he did nothing about it.

(See (p. 278) letter, dated November 14, 1957, from Glen A. Wilkinson, attorney, Klamath Tribe, with respect to preceding testimony.)

Senator NEUBERGER. Now, what is your view on S. 2047?

Mr. CRAWFORD. Well, Senator, I am looking—Mrs. Crawford, she will speak for herself—but I am looking at it with an open mind. I didn't come here with the idea of opposing the bill, in general, of the Government buying this timber and putting it into the national forest,

until, I mean unless, you can show me something different than it is. We are opposed to the bill as it is written. I don't want to be put in the position that because we are advocating the carrying out of Public Law 587, that because we advocate private enterprise and the lumber companies buy this timber, that we are in for destroying the forest.

Now, we are conservationists, I think as well as anybody else.

Senator NEUBERGER. Let me just ask this. The lumber companies buy timber from the national forests, don't they? Isn't that correct?

Mr. CRAWFORD. That is correct, but regarding your bill here, for me to say that I favor your bill, I would say "No."

Senator NEUBERGER. Do you oppose it then?

Mr. CRAWFORD. I oppose it for this reason: because I will not agree to sell the tribal lands to the Government when I don't know what the Government is willing to pay for it, and furthermore, I haven't been able to get the report from the Management Specialists as to the inventory and the appraisal they have made so we don't know exactly what our resources amount to.

Senator NEUBERGER. Let me ask you this, then: In other words, if you are opposed to the bill, then——

Mr. CRAWFORD. I am opposed to it for that reason, because we don't know our assets.

Senator NEUBERGER. In other words, you are willing to have the Management Specialists start next August, after the adjournment of the 85th Congress, to start to sell the timber? Are you willing to have that happen?

Mr. CRAWFORD. I don't want you to put words in my mouth, Senator. I will speak for myself.

Senator NEUBERGER. Then what do you think should happen if you don't favor this bill? After it is defeated, if you get your wish, what do you favor then?

Mr. CRAWFORD. I favor carrying out Public Law 587.

Senator NEUBERGER. Public Law 587, if it is carried out, requires that the Management Specialists start with the sale of the assets, does it not?

Mr. CRAWFORD. Certainly they will.

Senator NEUBERGER. Then is that what you favor?

Mr. CRAWFORD. Absolutely.

Senator NEUBERGER. Do you know what you will get for those?

Mr. CRAWFORD. Well, I know one thing, that I am going to—that the timber will go on the market and get, there will be competitive bidding and we will get the highest price that is offered on these different units.

Senator NEUBERGER. Were you here earlier this morning when the letter from the Secretary of the Interior was read in which he commented upon what a depressing effect on timber values might be caused by putting all that timber for sale on the market?

Mr. CRAWFORD. Oh, I have heard that, yes, and I have heard a lot of other people say a lot of things. I want to say this, Senator: Now, when you talk about putting this timber on the market and a fire sale, you have heard that expression, which sounds very good. Devastating forest, destroying watersheds, and so on, because the land is in private ownership. I think that people are predicting and accusing a lot of people of a lot of bad things and I don't think they

have got no right to do it. Because somebody goes out—this timber will be put on sale, for sale, and people will buy it. We know of some lumber companies, 7 or 8 big lumber companies as big as Weyerhaeuser can come in here and buy this timber, any one of them. We know that. If they come in and put this $150 million into this forest, they are not going to cut their own throats. They are business people, to protect that forest. They own timber in other parts of the United States, we know that. They are not cutting their throats because they own $200 million, $300 million worth of timber; they are not having fire sales there.

Now, that is a ridiculous statement for anyone to make, the Secretary of the Interior or anybody else, to say that because a man buys $100 million worth of timber that he is going to go out and have a fire sale and destroy the forest.

Now, we know, too, Senator, that the Government is subsidizing these big lumber companies throughout the United States. And they are practicing as good forestry as the Forest Service is practicing, or any other Government agency. So Mr. Seaton is absolutely wrong, and anybody else is that will make a wild statement like that.

Now, is the Weyerhaeuser Lumber Co. here now devastating the forest? Look at the property they own. I have been out on the Weyerhaeuser cuttings and they are cutting their timber there and practicing sustained yield.

Senator NEUBERGER. Have you knowledge that if Mr. Weyerhaeuser and his company purchase this timber that they are going to pay a competitive price to the Indians for it?

Mr. CRAWFORD. Well, if they are interested; if they are not, there are other people that are.

Senator NEUBERGER. Then, you said there are other people that are. Who are these other people if Mr. Weyerhaeuser won't pay the competitive price? Who are the other people?

Mr. CRAWFORD. Well, put it on the market and find out. I don't care to reveal these companies' names, but I do know them.

Senator NEUBERGER. And they are going to pay the Indians a competitive price for it?

Mr. CRAWFORD. Why, certainly. They are interested in buying it. And day that you put this timber up on the market, tomorrow morning you will find them interested in buying it. So that is just wild talk that you are going to ruin this forest.

Now, there is a lot of privately owned timber in Oregon. Why don't you say to those people here throughout Oregon that own their timber that the Government should handle it under the national forest or some other government agency? You're not doing that. No, but Indians, you want to say, "Well, you've got to put your forest under the national forest in order to protect it and have it cut on sustained yield."

Now, the people are cutting it on sustained yield besides the national forest and the O. and C. people.

Senator NEUBERGER. Some of them are clear cutting it, too.

Mr. CRAWFORD. Yes, I know that. Some of the smaller operators, I realize, Senator, are doing it.

Senator NEUBERGER. These sales will not be to smaller operators then?

Mr. CRAWFORD. Well, they are going to be put up for competitive bidding. I understand there are 140 units, 130, 140 units in different sizes, and if the lumber companies are interested, they will buy it on competitive bidding.

Senator NEUBERGER. Do you want to sell it to the small operators or not?

Mr. CRAWFORD. I don't care who buys it. We are interested in getting the most for it, but what I am afraid of in your bill here is, as to the reason I won't accept it, because I don't know what our values are now. We don't know the value of our forest. The Management Specialists have not completed their appraisal and until I know that, then I am willing to sit down with you and say that I am willing to sell my property.

Senator NEUBERGER. Well, is your interest then in the private enterprise forestry you are mentioning, or in the maximum price, which?

Mr. CRAWFORD. I am interested in the maximum price.

Senator NEUBERGER. And you will sell it to anybody who pays the maximum price?

Mr. CRAWFORD. Certainly I will. And just because somebody buys it, that is no reason why you should accuse me that they are going to ruin the forest.

Senator NEUBERGER. We are not.

Mr. CRAWFORD. That's what people have been doing, and the newspapers have been full of it, and you have heard it before this committee today and you will hear it from now on. It has been the propaganda that has been poisoning the minds of the American people here and the people in this country.

Senator NEUBERGER. Some of the allotted timber of the reservation has been sold?

Mr. CRAWFORD. Yes, it has.

Senator NEUBERGER. What happened to it?

Mr. CRAWFORD. Well, I think some of it has been cut and some of it not.

Senator NEUBERGER. What kind of forestry has been practiced on it?

Mr. CRAWFORD. I haven't been out there. That is their individual business. I have got more than I can do to take care of my own business without going out.

Senator NEUBERGER. It is right on the reservation you are speaking for. Have you examined the forestry that is being practiced on there?

Mr. CRAWFORD. Listen, I make it my business, Senator, to look after the tribal affairs, not any neighbor's affairs. What some individual does on that reservation is not of my business and I don't intend to make it my business.

Mr. WOLF. On October 21 of this year the Management Specialists hope to have the appraisal; is that correct?

Mr. CRAWFORD. That is what I understand.

Mr. WOLF. If the price that is set by that appraisal satisfies you, would you then be willing to consider S. 2047?

Mr. CRAWFORD. I would give it some thought.

Mr. WOLF. If it satisfies you?

Mr. CRAWFORD. I say I will give it some thought, but this bill of yours, Senator, requires a great deal of study, more than the few minutes that the executive committee acted upon it there yesterday. In 3 minutes they passed that resolution to adopt the Federal purchase

and the machinery that should go with this bill, there should be more written in here. I would like to have a little time to go into it with you, in putting time, dates in it, and a few other things, if I was interested in the price that the Management Specialists were going to report.

And another thing, just because Management Specialists report the timber is going to be worth so much a thousand for the different species of timber, I am not so sure that the Government will pay it. I have had a little experience with the Government in buying this timber. For about 6 years I had a bill in Congress. I wrote it myself. It is known as S. 1222 and S. 1313 for Federal purchase, and I went down to the Department of Agriculture to inquire if the Government was interested in purchasing it and they said they were interested in purchasing it at a fair market value, and what I wormed out of them that fair market value means about half what the timber is worth—was worth at that time. So I am not so sure that the Congress will go along with you to buy this timber for the appraisal of the Management Specialists put on it.

Senator NEUBERGER. Do you know of any lumber companies that will buy this timber?

Mr. CRAWFORD. I certainly do.

Senator NEUBERGER. Would they testify before our subcommittee?

Mr. CRAWFORD. I don't know whether they would or not. I can't speak for other people. I can speak for myself.

Senator NEUBERGER. It seems to me this is extremely important, an issue involving the future of your people and of this area, and if there are some lumber companies that will buy this timber and pay the Indians a competitive price for it, which you say you are interested in——

Mr. CRAWFORD. That's right.

Senator NEUBERGER. Would they appear before this committee?

Mr. CRAWFORD. I don't consider their business. Now, you can take the Indians' business and make it a public business, which you have been doing, and our business has been too much politically handled; we have been kicked around here for the last 90 years politically, and we are sick of it, and I don't think that other people will stand for it, and most people that have got money won't stand for it, and I don't think you could drag them before a committee and handle their property like you have been handling ours. That's why I want to caution you without any further delay in handling our property. I wish that you would use—be careful and use a little bit more judgment about it, because under the amendment that you made last year it is going to cost the Klamath Indians over $3 million in money besides the losses in timber in the overmatured, the windfalls, fire-killed timber, and you are the cause of it.

Senator NEUBERGER. What amendment do you refer to, delaying termination?

Mr. CRAWFORD. That is right, delaying the termination. Otherwise the law would have been carried out, if you hadn't interfered.

Senator NEUBERGER. Do you realize that the community sentiment expressed to me was nearly overwhelming?

Mr. CRAWFORD. Are you going to settle this thing to the interest of the community or the Klamath Indians?

Senator NEUBERGER. I heard from many Klamath Indians in favor of postponing Klamath termination, too.

Mr. CRAWFORD. Did they give you any reason? Certainly I know Mr. Jackson would like to stay on the payroll here for the next 15 years, and carry on like he has been carrying on, go to an executive committee in the morning, and maybe show up there around 11 or 12 o'clock, 1 o'clock, put in his time for $20, $32 a day. He has been doing it for years.

Senator NEUBERGER. Are you on the executive committee?

Mr. CRAWFORD. Certainly I am. And I know; I have been and I have seen how it is operated. I tell you, it is a racket, Senator, and you should correct it if you are going to look out for the interest of the whole of the Indians.

Senator NEUBERGER. Have you ever drawn any funds from the Indian tribal funds?

Mr. CRAWFORD. Certainly I have.

Senator NEUBERGER. Why do you condemn Mr. Jackson?

Mr. CRAWFORD. Because—I don't condemn him, only in this way: I condemn him here, that you show up to do a job, you call a meeting for 10 o'clock in the morning; you don't show up until 11 or 12 o'clock, or start at 1 o'clock, then put in your bill for $32 a day, or $20 a day. That is a little chisel game that has been going on here for years. Mr. Jackson has had his feet in the tribal trough here all these years and he don't like to take them out and get out and make an honest living—take a pick and shovel like the other Indians have to do.

Mr. WOLF. Why doesn't the Bureau put a stop to this?

Mr. CRAWFORD. That's what I wonder. I can't conceive the Department of the Interior to protect the tribal funds that belongs to the individual members of this tribe and allow a thing like that to continue. And we have sent in our protest and protest and we have protested before every committee we have ever appeared before.

Senator NEUBERGER. But you have drawn tribal funds yourself?

Mr. CRAWFORD. But I earned them, too.

Senator NEUBERGER. Well, he didn't. Is that it?

Mrs. WADE CRAWFORD. Senator Neuberger, right here I want to say to you that I draw tribal funds, too, and we were elected in June of 1956 as members of the executive committee. And the Indian Office and the executive committee that were then acting refused to let us be sworn in until January of 1957. All right. We never have attended any executive committee meetings until September of this year, and the tribal funds, we have been paid on the days we have attended, that is true.

And there is one thing that I want to bring to your attention, Senator, and I regret sincerely that it occurred because I did not have an opportunity to talk with you last winter, and the reason for it was, I will insert for the record right here a letter that I wrote to you when I first reached Washington, and I asked, I wrote this letter to Hon. Richard Neuberger, chairman, Indian Affairs Subcommittee, Interior and Insular Affairs, Senate Office Building, Washington, D. C.:

DEAR SENATOR NEUBERGER: I respectfully request the opportunity to be heard on any proposed amendments to Public Law 587. I also request to be advised about time and date of hearing. Sincerely yours, Ida M. Crawford, Mrs. Wade.

This is written January 30, 1957. I wrote the very same thing to the Honorable James A. Haley, chairman, Indian Affairs Subcommittee, Interior and Insular Affairs Committee, House of Representatives, Washington, D. C., on the same date.

Mr. Haley answered me on January 31, 1957, and he wrote this:

MRS. IDA M. CRAWFORD,
Carroll Arms Hotel,
First Street at C Street NE.,
Washington, D. C.

DEAR MRS. CRAWFORD: Beginning at 10 a. m., February 11, 19—

should be 57—

in room 1324, House Office Building, the Subcommittee on Indian Affairs will hold hearings on the following bills, each concerning the Klamath Indians. H. R. 650, H. R. 663, H. R. 2417. You are invited to appear as a witness at these hearings. Sincerely yours, James A. Haley, chairman, Subcommittee on Indian Affairs.

That is why, Senator, that I did not have the opportunity to discuss the amendments that were shoved through the Congress of the United States without proper hearings.

Senator NEUBERGER. If I am not mistaken, just so the record will be straight, I believe that you and Mr. Crawford had an opportunity to testify here in this courtroom when we were discussing this very issue 1 year ago this month. That hearing was held on October 18, 1956. Is that approximately the date?

Mr. GAMBLE. October 18 was the date.

Senator NEUBERGER. You had an opportunity to appear before the Senate subcommittee at that time. Is that incorrect, or is it correct?

Mrs. CRAWFORD. I was in California with my daughter at the time, Senator, and I sincerely regretted it, but it was my understanding, Senator, just to make it straight now, that there were hearings to be held, but there were no amendments, and I had not had opportunity to speak with you about it, so I thought the most important thing was to discuss the amendments, the specific amendments, with you rather than just talking in a hearing.

Senator NEUBERGER. I find that Wade Crawford testified before this subcommittee in October of last year.

Mrs. CRAWFORD. That has nothing to do with me, Senator.

Senator NEUBERGER. I hold in my hand a printed hearing record dated October 18, 1956, Klamath Indian Tribe termination of Federal supervision at Klamath Falls, Oreg., testimony of Wade Crawford, Chiloquin, Oreg., begins on page 86, page 87, page 88, page 89, page 90, page 91, page 92, page 93, page 94; documents and exhibits submitted by Wade Crawford, page 95, page 96, page 97, and about one-third of page 98. And yet you were denied, you say, you were denied a hearing.

Mr. CRAWFORD. Right there, Senator, I want to point this out to you. At that time that I appeared before your committee, and those pages that you are referring to, you did not have no amendment written. You come here to find out whether the Indians wanted to extend the time. You had no bill before me.

Senator NEUBERGER. That was the specific issue being considered.

Mr. CRAWFORD. Can you show me in there one page where you had a bill written? You didn't have a bill written, and you didn't; you wrote it after you got back.

Senator NEUBERGER. The whole general issue of these hearings at Klamath Falls were involved in the extension of termination. Also, Mrs. Crawford mentioned Congressman Haley's subcommittee, and you also mentioned your concern for tribal funds, so I think it is well for the record to show that my Senate subcommittee approved the reimbursement to the Klamath tribal fund of the sum of $1,100,000 from the Treasury of the United States. Our subcommittee report was accepted by the full Senate Interior Committe and it was accepted by the Senate of the United States. And Congressman Haley's subcommittee, which you say showed you so much more consideration than our subcommittee, and you have also expressed your concern for tribal funds, cut the tribal fund reimbursement which we provided in the Senate from $1,100,000 to $550,000. And yet you have expressed great concern here today for $32 drawn by Mr. Jackson.

Mrs. CRAWFORD. You know, Senator Neuberger, the comparison is so ridiculous. You see, we wanted Federal supervision terminated and we were not in accord with the idea of the Federal Government providing funds which would drag on the issue that much further.

Senator NEUBERGER. So you preferred to have the tribal fund cut $550,000.

Mrs. CRAWFORD. It has always been our observation, Senator—you see, I have been into this business of trying to get freedom from this Indian Bureau for 30 years, and so we know the history and the background of this situation. And the Indians have never been given anything. We were always—whenever we had, as for instance the Yamsey judgment suit. We paid back every dollar that the Government had ever extended to these Klamath Indians. We have paid for everything here, Senator. And I think we should just get on with this.

Mr. CRAWFORD. What I wanted to tell the Senator there: the reason why we opposed the million dollars to be used of the taxpayers is because we didn't want the time extended 2 years, which you advocated. Now, what you did, you asked for a million dollars for the taxpayers' money to continue this thing to pay the Management Specialists their thousand dollars a month with all their expenses. Then in addition to that, it was costing the Klamath Indians 3 million while the taxpayers were wasting a million by continuing and extending this time. If the time had not been extended you would have saved the Klamath Indians a million dollars and you would have saved the taxpayers a half a million dollars which there was no need of spending.

But on your insistence that the time be extended, you put the taxpayers and the tribal funds to be poured down the trough and for no good reason, which you are going to come to in the end to sell this timber to private enterprise. And by your delaying and stalling this thing off, you don't know, Senator, realize how you are hurting these Indians individually and tribally.

Now, you are hurting them more ways than one. We have got all these cases being held up here that the court won't act in probating their estates and settling up their estates. You have got your amendment in this last Congress which the Indian Service now is screening these Indians to the extent that very few of them are going to have control of their own funds. Going to be put into these trust companies.

I tell you, you ought to look into the record a little bit and you are setting up some history here that the Klamath Indians and the American people are not going to forget very long, that's going to take them a long time to outlive.

And I'd say great stress has been made about these Indians that are going to stay in and not withdraw and form some management plan. And have certain lands set aside for them here to manage. Now, I have the management plan here, the preliminary plan here for these Indians who have been telling Congress all the time that they want to stay in. Listen——

Senator NEUBERGER. You are critical of me on this——

Mr. CRAWFORD. I want to tell you this, Senator.

Senator NEUBERGER. Let me finish this statement. You think that the Bureau of Indian Affairs, the Oregon Council of Churches, the Secretary of the Interior, and the Management Specialists, all of whom favored extending the termination date, were likewise wrong?

Mr. CRAWFORD. I certainly do. I certainly do. This is our property, Senator. We know how we are affected by this every day down there. And I wanted to point out this plan to you. Here is the plan that cost probably several thousand dollars to write. The plan is being written after interviewing 118 members of the reservation by the Management Specialists. There is not one Indian on this reservation that is willing to accept this plan.

Now, when the Management Specialists wrote this plan, they can't put their fingers on the name of one person that is going to accept it.

Mr. WOLF. Have they asked any to accept it?

Mr. CRAWFORD. I don't know whether they have or not.

Mr. GAMBLE. Wouldn't that be asked at the time the election is held?

Mr. WOLF. They haven't asked you yet to accept it?

Mr. CRAWFORD. Why, we asked them who is going to join in this plan. This plan is so written that it doesn't give you any business plan there to accept. No Indian on the reservation that I know of, unless he would be insane, would accept this thing.

Mr. WOLF. Have they turned it down?

Mr. CRAWFORD. It has been printed since May the 8th of this year, submitted to the Indians.

Mr. WOLF. When was it submitted to the Indians?

Mr. CRAWFORD. About 2, 3 weeks ago.

Mr. WOLF. They haven't asked for the Indians to accept it or reject it yet, have they? They have asked them to study it.

Mr. CRAWFORD. They have asked them to study it.

Mrs. CRAWFORD. I would like to say the Indians haven't a copy of this, not all of the Indians. It was submitted to the executive committee, and yesterday we had some discussion on this plan, and the members of the executive committee sitting around the table seemed to be all of the opinion that it was so patently bad it was mentioned that it was ridiculous. And, in the fact that, the Management Specialists assured us that at the time the Indians would elect to withdraw this plan would also be on the ballot. They would have to elect to withdraw and at the same time accept this plan. And it provides for mortgage and sale. Why, they could make a raid on the principal. It is nothing. Where are they getting the interest on any money? It doesn't provide for it.

Mr. CRAWFORD. The whole trouble with this plan, Senator, is that the Management Specialists didn't sit down in a huddle and talk with these Indians and take them into their confidence in writing this thing. They wrote something and said, "Here it is; accept it or you can change it, and so on." What they should have done, if they want these people to put their money into a plan of this kind, is set around a table and talk to them about it and work it out.

Mr. WOLF. Have they invited you to submit suggestions, Mr. Crawford?

Mr. CRAWFORD. They had the other day. I wouldn't put 10 cents in an outfit like that.

Mr. WOLF. I just have some difficulty understanding, if they have just given it to you and have invited suggestions, how you can say everybody has rejected it when you also tell us nobody has seen it.

Mr. CRAWFORD. Well, I didn't say nobody has seen it. Now, don't put words in our mouths; now, you can't do that.

Mr. WOLF. Well, I understood you to say it hadn't had any real distribution, there have been only a few copies out. The executive committee got it, and as far as I know no one outside the executive committee has seen it, from your testimony.

Mrs. CRAWFORD. Then, Mr. Wolf, it was suggested that the executive committee study the plan and then educate the rest of the Indians about it. Now, you know that is quite an expensive, uphill game. And the law provided it for the Indians who remain in. Senator Neuberger's amendment, that plan was to be drawn for the Indians who remain, Senator; that is one of your amendments. But there has been no vote taken as to who will remain, so we just said, who are these people? Why don't you have an election to determine who will withdraw and who will remain? Then sit around the table with these people who wish to remain in this management plan and talk with them about it. Why talk with me?

Senator NEUBERGER. Don't you think the Management Specialists made a wise decision in submitting the plan in advance so perhaps it might be determined whether some people would want to remain in or withdraw? I think that is a very wise procedure.

Mrs. CRAWFORD. No, Senator, I don't see why. Why is it that everyone, you—and I am sorry that you take the attitude that all of you people seem to be opposed to the enforcement of the law. Why not have an election as the law provides and determine who shall withdraw and who shall remain and then conscientiously, honestly, sincerely sit down with these people who want to go into a plan and let them write up the plan satisfactory to them and the Secretary. Wouldn't that be the best way to do?

You know, it amazes me in a Christian nation for a thing to happen that is happening here. The way that we have been propagandized against, even into Washington, D. C. I heard some of the most dreadful things said about the Klamath Indians over the radio, and I read it in the magazines, and people just act as if we were a nation, there is a nation against a nation, when we are citizens of this country. We are citizens of Oregon just the same as you are a citizen. And I stand upon that premise and I don't know why in the world we are treated as if our property is to be handled as public property. This is our private property.

And I say this—I don't know—Secretary Seaton suggested in his letter, if I understood rightly, that if there were other avenues of exploration to do that.

Senator NEUBERGER. He said he would welcome hearing about them.

Mrs. CRAWFORD. He would welcome hearing, certainly. So, then, why not put this property on the market and find out if there are buyers? Let's get some New York money in here. We know that is what is happening in the South and what is happening in the East. Let's get some money in here from New York and put this property here on the tax roll. It just so happens that I am a Republican, but I am not a Socialist Republican. Now, that is the whole deal. If I was going to be a Democrat, I would be a Jefferson-Jackson Democrat, but I am not any part of a Socialist and I don't believe that my property, this isn't my property.

Senator NEUBERGER. Do you think Mr. Watters and Mr. Favell are Socialists?

Mrs. CRAWFORD. Well, I think Mr. Watters has amazed me so that there are no words that can express my feeling about it, because I am going to tell you, Senator, that when we introduced S. 1313, which was later reintroduced as S. 1222, we set up the mechanics whereby this property would go by orderly procedure into the national forest, and every phase of this reservation was provided for. All right. There were repercussions rebounded from here to the banks of the Potomac River. Mr. Watters and all of those people who were interested in Oregon politics at that time rose up in rebellion, and they were against us.

Then later, Senator, when we saw that was—that is why I am truly eager now, whether Mr. Crawford is or not; I am really eager to find out what made these people change their minds, because they say they are rock-ribbed Republicans, and I say I am a Republican—how rock ribbed I don't know, but I am; I know I am against socialism.

And here is another thing. When we found out then that we couldn't be free from Federal supervision, because we know that this has destroyed the Indians' opportunity, and Senator Morse knows it, too. It has destroyed the Indians' opportunity—their ability to rise according to their own ability. It has hurt the Klamath Indians tremendously to be under a bureau.

Senator NEUBERGER. You know Senator Morse is a cosponsor of this bill?

Mrs. CRAWFORD. Yes; and he was a cosponsor; he sponsored the proposition to sell—he and Senator Cordon introduced a bill for Federal purchase—and at that time there were no hearings ever held on it. There were some hearings held not—just rather informal.

Senator NEUBERGER. Mrs. Crawford, let me ask you a question. You were here earlier today when both Mr. Jackson and his associates and also the representatives of some of the local community testified that near the end of consideration of the bill that became Public Law 587 it was amended very drastically to provide for much quicker liquidation of resources. I think you heard that testimony. Be it right or wrong, I can't pass judgment; but you heard it. Were you and Mr. Crawford at that time contacting Representatives and Senators in the Congress regarding this?

Mrs. Crawford. Were we contacting them?

Senator Neuberger. At that time were you in Washington having anything to do with discussing the bill with these people?

Mrs. Crawford. You mean the bill that I have reference to, this S. 1313?

Senator Neuberger. No; the bill that became Public Law 587, S. 2745, 83d Congress.

Mrs. Crawford. Yes. Mr. Crawford was; I wasn't.

Senator Neuberger. Were you an active proponent of this particular amendment that was discussed earlier by the representative of the chamber of commerce and by Mr. Jackson and his associates?

Mr. Crawford. You mean the amendment that you put into the last Congress?

Senator Neuberger. No; the amendment to the termination, the original termination act.

Mr. Crawford. Yes. I took an active part in that.

Senator Neuberger. In that particular amendment?

Mr. Crawford. Yes. And I want to say there, Senator, I notice that you have been confused here with regard to certain testimony that people have come up here and given you, including Mr. Jackson and members of the executive committee. Now, all you have got to do to clear up your mind is to read the hearings at the time that we were—that the Congress held in regard to termination of the Klamath Reservation, and you will find in those hearings that the dates, giving the dates of the different numerous meetings that were held among the Indians in small groups and in the general council, in the executive committee, and the meetings that were held with the Governor and his staff, the meetings held with the county court, and also that the State legislature passed a memorial endorsing the idea, and so Mr. Jackson and Mr. Wilkinson, the attorney representing the Klamath Indians, endorsed that bill which became Public Law 587.

Senator Neuberger. Let me read you again these two paragraphs from the testimony of the representative of the chamber of commerce.

> Unfortunately, the bill which was passed by Congress bore little resemblance, insofar as the disposition of the tribal assets was concerned, with Senate bill 2745 upon which hearing was held in Klamath County and which was studied and discussed by the chamber and by the people of this county.
>
> The Congress substituted for section 5 of Senate bill 2745, the present section 5 of Public Law 587 which eliminated the period of further study and planning and substituted a "crash program" for the sale of tribal assets. This was done without the knowledge of the people of Klamath County. In fact, the Klamath County Chamber of Commerce was unaware that this amendment had been made until after the bill had been enacted and signed by the President. There was absolutely no advance warning ever given the people of this country that Congress intended to make this change and radically depart from the bill upon which hearing had been held in this county.

Now, were you an active proponent of this particular amendment that is referred to in this testimony?

Mr. Crawford. Yes, I was. I was active in writing Public Law 587, which deals with section 5 that is referred to. But I want to say there, Senator, to clear up any cloud and any doubt in your mind, all you have got to do is read those hearings and you will find page after page of testimony there given by the superintendent of the Klamath Reservation with the correct dates of all the different meetings that the

Indians had with all the officials in the county and the State and among themselves which will clear any doubt about, which you have been worried about—and why people come around now and try to change their reasons for thinking otherwise, I don't know.

Mr. GAMBLE. At the time that bill was being circulated or the proposed bill was being circulated among the members of the tribe, was the provision in section 5 (a) with respect to individual withdrawal from the tribe—I'm speaking of the bill that was circulated among the tribe that was ultimately approved by the tribe and recommended to the Secretary of the Interior to be introduced—did that bill have the section in it dealing with the individual withdrawal?

Senator NEUBERGER. What year was that, Mr. Gamble? I wasn't a Member then.

Mr. GAMBLE. Senator, the negotiations between the Secretary of the Interior and the tribe on this bill are contained in the House report, and I am reading from House Report No. 2483, on bill S. 2745, dated July 23, 1954. There is a recital on page 5 of the complete legislative history of this act. It refers first to it: "During the 1st session of the 83d Congress"—may I read a portion of this? I think it will help to clarify the point that Mr. and Mrs. Crawford are trying to make.

During the 1st session of the 83d Congress, the House Indian Subcommittee held hearings on a Klamath voluntary withdrawal bill, and with the adoption of House Concurrent Resolution 108 in July of 1953, proceeded, in cooperation with tribal representatives, representatives of the State of Oregon, and the Department of the Interior and Bureau of Indian Affairs, to develop the legislation herewith transmitted to the House for consideration.

Following adoption of House Concurrent Resolution 108, which referred specifically to the Klamath Tribe of Oregon and contained this language: "* * * It is further declared to be the sense of Congress that the Secretary of the Interior should examine all existing legislation dealing with such Indians, and treaties between the Government of the United States and each such tribe, and report to Congress at the earliest practicable date, but not later than January 1, 1954, his recommendations for such legislation as, in his judgment, may be necessary to accomplish the purpose of this resolution * * *"

Several conferences were held in Washington, with the area director and Klamath Agency superintendent participating in the drafting of legislation responsive to the directive of the House resolution. A draft of the bill was reviewed by the Assistant Secretary of the Interior, after revision was approved for discussion purposes in the field. This draft was mailed to the area director for that purpose on September 25, 1953.

After presentation to the tribe and interested State and local officials, but without specific comment by either the Indians or State or local officials, the draft was reviewed in the field, and in Washington, and a revised draft was then prepared and submitted to Congress on January 4, 1954.

Specifically, the record shows, as to discussion with the Indians, that in early October 1953 a draft of the bill was submitted to the chairman of the Klamath General Council, the Klamath tribal executive committee, and to various individual Indians.

On December 14 and 16, 1953, the Klamath tribal executive committee reviewed a draft of the bill, section by section, with the assistance of the area counsel, and voted to reject the draft bill. On December 17 and 18, 1953, the Klamath General Council considered the draft of the bill and an alternative plan of termination of the special Federal-Klamath Indian relationship then being sponsored by certain members of the tribe. The council voted to consider the entire matter further at a later meeting to be convened on January 14, 1954, directing the chairman to arrange in the meantime for various community meetings; the Governor of the State and the interested county commissioners were invited to attend the meeting.

On January 14, 1954, the council voted to adopt the September draft bill in principle, subject to various modifications suggested at the council meeting and

to be worked out by the committee on legislation and the tribal executive committee. Prior thereto, in discussions with State and local officials, copies of the September draft bill were forwarded to the Governor and other State officials and local county officials as early as October 8, 1953; meetings were held with State officials on October 22, 1953, and December 8, 1953, with the latter meeting attended by a tribal delegation. At the December meeting the Governor announced his intention of establishing a State commission to advise with the Klamaths and to cooperate with the Federal Government in the matter of termination of special Federal relationships.

Members of the Governor's advisory committee attended the January 14, 1954, general council meeting, and have cooperated generally with tribal officials in the deliberations on the matter of terminaton. The bill as introduced in Congress was furnished to State officials on January 26, 1954.

As a part of the hearings held beginning February 15, 1954, in Washington before a joint House and Senate committee, the Klamath Indian tribal delegates were present representing the tribe, as was a spokesman for an opposition group opposed to some recommendations of the tribal governing body.

The Washington hearings were continued to April 19, 1954, when a special joint House-Senate subcommittee took extensive testimony at the Klamath Agency, Oregon, with county and State representatives testifying, as well as representative spokesmen for various segments of opinion among tribal members.

Following the Oregon hearings, tribal delegates to Washington, the attorney for the tribe, as well as the spokesman for the opposition group and its attorney, held numerous informal meetings with House and Senate committees and committee staff members, as well as with representatives of the Secretary of the Interior and Commissioner of Indian Affairs, for the purpose of refining the language proposed to be considered in the Klamath terminal legislation. Most recent discussions were concentrated on S. 2745 as it passed the Senate; proposed amendments to the Senate bill were the subject of detailed discussions prior to formal consideration by the House Indian Subcommittee.

As a result of these informal discussions, participants appeared before the House Indian Affairs Subcommittee on S. 2745 to announce agreement to the Senate version if amended. The recommended amendments, agreed to by the official tribal delegates, attorney for the tribe and spokesman for the opposition group and its attorney, and developed cooperatively with departmental representatives, were approved by members of the committee, and are as set out heretofore.

Now, my question again: According to this report, the legislation that was considered in the House as passed by the Senate had no provision in it for individual withdrawal?

Mr. CRAWFORD. That is right.

Mr. GAMBLE. That was the question I originally asked.

Mr. CRAWFORD. That is right.

Mrs. CRAWFORD. But it was all explored and was passed.

Mr. CRAWFORD. And I want to say there, Mr. Gamble, is this: That when I got down to Washington, Mr. Jackson and Mr. Kirk and Mr. Wilkinson representing them, we had meetings with the Department on it, in the Commissioner's office. I think there were 2 or 3 different meetings there. So we agreed to the amendments.

Mr. GAMBLE. Who sponsored the amendments?

Mr. CRAWFORD. I did. I sponsored the amendment to set up, to set up by law to give the American Indian his individual rights, and that is the first law that Congress ever passed in a hundred years that did that, and I am very proud of it. I sponsored it. Mr. Wilkinson and Mr. Jackson agreed to it, and the hearings show in the last session, the last hour there in the House subcommittee, that they agreed to it and their testimony showed it.

And after the committee reported it out, Mr. Wilkinson and Mr. Jackson sat in the gallery and let it go through the House, no objections. After the amendments was made then, the bill was sent back

to the Klamath Indian General Council and read to them; before that the House passed it and the council had a right and time to object to it, but then didn't do it. They approved of the amendment of setting up the individual rights for the Indian, so it was so reported back to the Congress by wire and the bill went through with no objections from the general council.

The bill went on over to the Senate the same way and went down to the President for signature. The Indians approved of the amendments that was made in the House after the House made them and the record will show that.

Mr. GAMBLE. The record made today will show that they are sorry that that happened.

Mr. Chairman, the statement was made in answer to your question to Mr. Jackson, Mr. Davis, and Mr. Kirk, that if they had it to do over again would they support the termination, and if I remember right, the answer was an emphatic "No" from all three.

Mrs. CRAWFORD. Everyone has the right to change his mind, but after a law is enacted and after 70 percent of these people have determined since the law was enacted that they are willing to go along with the law because they wanted to withdraw, then why does not it prove——

Senator NEUBERGER. How do you know that 70 percent——

Mrs. CRAWFORD. The Stanford Research Institute and the Management Specialists, Senator, have made that.

Senator NEUBERGER. The reason I ask, you accept the Management Specialists when you want and you reject them when you want.

Mrs. CRAWFORD. No, Senator. Let me say this, because all winter long I tried to get the Indian Service to conduct an election. There is no use in smiling here about a thing that is perfectly serious. Now, we tried to get an election, Senator, and we have tried and tried up to this hour to get an election to determine who wants to withdraw and who wants to remain and, Senator, in this connection right here I want to read into the record—Mr. Gamble took considerable time—here at the hearing before the Interior and Insular Affairs Committee, House of Representatives, Friday, July 16, 1954, Mr. Lewis Sigler, Office of the Counsel, Department of the Interior, made the following explanation, beginning in the second paragraph from the foot of page 2:

> With your permission, I would like to indicate in rather broad outline what the bill does, what the difference of opinion between the two delegations of Klamath Indains has been, and how they have resolved their differences of opinion.
>
> The bill provides for the termination of the Federal trust over the property of the Klamath Indians on or before a 4-year period beginning with the date of the passage of the act.
>
> The procedure is for the rolls to be closed on the date of the act. * * *
>
> When the rolls are closed, the interest of each individual member of the tribe, their interest in the property, becomes a personal property interest——

Mr. WOLF. Are the rolls closed now?

Mrs. CRAWFORD. Well, let me finish this and I will answer your question.

> * * * which can be inherited and after the termination is completed, can be conveyed.
>
> Pending the completion of the termination process, however, the individual interest in private property may not be alienated without consent.

And this is a statement that was taken from the record.

Mr. BERRY (who was then acting as chairman of the subcommittee). Those are agreeable in every respect. Mr. Wilkinson?

Mr. WILKINSON. Mr. Chairman, and members of the committee, my name is Glen A. Wilkinson, and I am attorney for the Klamath Tribe.

The amendments explained to you by Mr. Sigler have been agreed upon between the official Klamath delegates and Mr. Wade Crawford who is representing some portion of the tribe, as I understand it, the people who wish to get out.

I have nothing further to add to what Mr. Sigler has said.

Mr. D'EWART. The bill, as amended has the approval of the group?

Mr. WILKINSON. Yes.

Mr. BERRY. I am going to ask Mr. Crawford the same question.

Mr. WADE CRAWFORD. My name is Wade Crawford, a member of the Klamath Reservation. Mr. Chairman, I agree with the bill and with the amendments that have been discussed this morning with Mr. Sigler.

Mr. BERRY. Thank you.

Mr. CRAWFORD. They are all right. I do believe our group, numbering some 300 members or more of the reservation, who believe in our individual rights, and we want to live in Oregon under the laws of Oregon as citizens of Oregon and we do not want to be living under any other.

Mr. BERRY. Thank you.

Now, I want to say right here, Senator Neuberger, that Mr. Crawford and I have tried for 30 years to get away from this everlasting, infernal bureaucracy, and we have tried by every means that is fair. We have introduced bills, and as late as 1952, I think it was, at the instruction of the House Committee on Indian Affairs, Mr. Crawford was instructed, as was Mr. Jackson—Mr. Jackson went along and was agreeable to it—to set up under the laws of the State of Oregon the Klamath Agricultural Cooperative Association, and that was what it was named, of course, that is a name that they gave it, and it was to turn over this property to the Indians so they could set up their own business here, stabilize their economy. We have stabilized the economy of this basin for the last 50 years, and the economy of the Indian has gone gradually down.

You hear these people proclaim the inroads made on their social and economic life. Do we want to continue it? I, as a citizen of Oregon and as a member of the Klamath Indian Reservation, say no, Senator Neuberger. Because we tried to set up this Klamath Agricultural Cooperative Association, and we did it under the laws of our State and made it possible so that we tried to take all the bugs out so that the Indians themselves would run that corporation, and give them an opportunity to stand on their two feet as citizens of this State and of the State of Oregon. And it was absolutely denied us. Why the repercussions again?

That is why Mr. Crawford and I have tried every way that we could to get free from this Bureau, because we believe in freedom for people. I don't see how we can sit here in Oregon and in the United States and be treated as Russian serfs, and that is exactly the way the Klamath Indians are treated today, and even now in the face of this Public Law 587.

Senator NEUBERGER. In other words, Mrs. Crawford—we have to terminate this some time—we are going 45 minutes past the time I thought we should and you and Mr. Crawford have been here a long time, and we appreciate your coming—as I gather it, the crux of the testimony of both of you is that Public Law 587 should be carried out

immediately and that S. 2047 as proposed should not become law; is that correct?

Mr. CRAWFORD. No, Senator. Don't put words in our mouth. Let me say it for myself. I am saying this, Senator, myself. She is speaking for herself. I am sticking to Public Law 587, because it is the law, and until you can show me something better I am going to stick to the law.

And I want to, in my closing statement, want to say to you that I am going to take the position of the Secretary of the Interior and Mr. Sigler and other attorneys that I know of, that the Indians have a vested right and have a personal interest in that Klamath tribal property, and if you or anybody else, Senator, tampers with our vested rights, we are going to have you in court.

And I want t leave this word with you. Now, if you want to find out from the Klamath Indians how they feel about Federal purchase. I think that you should submit your bill to these people that own the property and find out by referendum instead of running around the State here and around the streets and asking everybody what they think about what should happen to the Klamath Indians' timber. Ask the Indians that own it. And ask them individually, because they are the ones that are going to have to decide what to do about it. It is their property and they are going to decide for their children. Why be asking some church group here, or some other organization? You conduct a referendum and you will find out.

Senator NEUBERGER. Thank you very much.

Mrs. CRAWFORD. Just in conclusion, I should like to say this, Senator, if I may: that I do not have, of course, the inventory and appraisal of the virgin and cutover timber, but I have understood that it is around 4,450 million feet. Well, you asked one other witness if they were willing to accept the appraised value. Well, I couldn't say without a good deal of study and exploration of the whole situation whether I would or not. But, if we would cut your timber to $30 a thousand—that would include the virgin and cutover timber—that would bring our assets in commercial timber to $133,500,000. The paper last night stated it was $113 million. Now, this does not include our lodgepole pine, which now has commercial value.

Then we have this swampland that is causing some people so much concern; we have the agency and its equipment, so I should say to you that I am not opposed to your bill if that is going to bring to the Klamath Indians freedom from bureaucracy and the best price obtainable for their property where they can live as freemen and freewomen in the shortest possible time without further delay.

I am willing to go along with you if you can show me that we are getting a fair price for our property, because I want to be fair to you and everybody else, but I do want, I do want this everlasting propaganda stopped against the Indians.

And I heard Mr. Watters sit here this morning and state to you that the Indians aren't capable when I don't consider him capable of managing our estate either. That is only a personal opinion that amounts to nothing, but I don't think his does either.

Senator NEUBERGER. Thank you very much.

Mrs. CRAWFORD. Well, I certainly thank you, Senator, and I am sorry that we can't get together on this, but I believe if you would

sit around the table with the Klamath Indians you would get the fair, honest opinion of what these people want, and I go along with Mr. Crawford, let's have a referendum; stop all this nonsense. Thank you very much.

Senator NEUBERGER. Are there any other members of the Klamath Tribe who very briefly feel that they should communicate their views to the subcommittee and for the record? Would you like to be heard, sir?

Mr. ROBBINS. Well, I would like to be given a fair chance as well as some of the others. I don't want to have 5 minutes or 5 hours, but I would like to be heard.

Senator NEUBERGER. Well, we are about to conclude the hearing. We can give you a few minutes. Most people who wanted to be heard made a request to the committee and we put their names on the agenda, but if you would like to be heard and think you can do so briefly, we would be glad to have you come up. Would you give your name, please?

Mr. ROBBINS. I would rather have it brief tomorrow morning, perhaps 10 or 15 minutes tomorrow. All these other people here in attendance, it has pretty well used up today.

Senator NEUBERGER. We are going out on the reservation tomorrow to look over some of these assets, but I must ask you to identify yourself so we will know how to identify you for the recording clerk when he is taking down your testimony.

STATEMENT OF HYRUM R. ROBBINS, MEMBER OF THE KLAMATH TRIBE

Mr. ROBBINS. My name is Hyrum R. Robbins; I am an enrolled member of the Klamath Tribe. Modoc.

Senator NEUBERGER. Won't you sit down, Mr. Robbins, and give your views briefly?

Mr. ROBBINS. First I will mention the fact that the reason I didn't write in, this is of vital interest to me and I have never had to write in before to talk about my own affairs, and I didn't think I would do so this time.

Senator NEUBERGER. How do you think we would make up an agenda for people to appear if they didn't write in to us?

Mr. ROBBINS. I was coming to that, sir. If other people are more interested in this and the time limits you to a certain amount, I would rather the other people had their say and I would forfeit mine. That is the reason.

Senator NEUBERGER. Well, we would be glad to hear you now.

Mr. ROBBINS. I am the man that opposed Public Law 587, at the Klamath Agency Auditorium, and I am the fellow that told Commissioner Glenn Emmons to his face there that only repeal of Public Law 587 would suffice.

Some of the people condemned me. There were different opinions, I guess, expressed, none of them audibly to me, but through rumors that came back.

I also opposed legislation down here at the chamber of commerce to the effect bringing on Public Law 587. I believe one of the representatives here today, Mr. Ganong, in fact, wasn't aware too much

of what was going on, he said. Mr. Seismore was chairman of that committee that I referred to over here at the chamber building. The hearing that we had there, meeting. So it goes.

I am still opposed to Public Law 587 and, of course, to any amendments with it. It has been stated it is a fact that it is law. But the Klamath Tribe and myself especially have never been represented in any place to have such a law passed. We have no representatives, neither county, State, nor Federal.

I believe it is an injustice, in fact I know it is, having to live with it, of having our assets and things disposed of as it is presumed to be up there now. We will get back to the old saying or the old way of living is if you are going to be eaten it doesn't matter much whether the wolf eats you, or the lamb eats you, or who eats you, you will be eaten anyway.

We have all heard testimony today to the fact that some of the gun clubs want a little sweep of it; some of the reclamation boys want a sweep of it; everybody wants a sweep of it, but the Indian person that is affiliated with it and is supposed to own it and have his say, he doesn't have any part of it.

And, Mr. Senator, I would state for the record there, you asked someone today to try to explain to you why this law was passed and the changes made without anybody being aware of it, seemingly anyone being aware of it. I happen to know first hand that this law was assembled, the final stages of it were assembled, within near 50 days and not more than 60 days. The minutes were assembled and the thing was put through and drafted into law on October 13, 1954. They were laying scattered about some people's desks, as our papers are here today, on around June the 20th, minutes of the hearings, a transcript had never been made of it, never been completed; they were in shorthand yet. So it would only need searching of the record, or whatever you must do, to find how these things are assembled to find out that this bill was railroaded through.

Why, I am not prepared to say; I don 't know. I am not that well versed, but I do know that they were laying on the desk on June the 20th; August the 13th, midnight, it was law.

This whole bill, whole Public Law 587, came to a head on the fact that there was some practice of mismanagement on the Klamath Reservation. It wasn't entirely to blame on one set of people like the forestry or the Indians or other individuals. It was just something that wasn't ironed out. So in order to get away from this bad management, people took any out they could to get out from under, they thought, bondage.

For myself, I have never felt I was under bondage. I own a little piece of the country up there, bought with blood, not with money.

Senator NEUBERGER. Mr. Robbins, we appreciate having your views. We have tried to have a wide range of opinions here today, because the only kind of a record that will be of any value is all the bona fide opinions that care to be expressed in this community. We appreciate your coming.

Mr. WOLF. What would you suggest be done now that Public Law 587 is law? Would you amend it, repeal it, or leave it stand?

Mr. ROBBINS. After considerable research, I would suggest that a modification be added to it in this way: giving the tribal members

privileges and chances to better their condition through self-management.

Mr. Wolf. In other words, if this trustee plan of the Management Specialists were to go into effect, you would want to eventually have the Indians themselves take over the management of that property within a stated period?

Mr. Robbins. What is your name, sir?

Mr. Wolf. Mr. Wolf.

Mr. Robbins. Mr. Wolf, I am not prepared to say about the trusteeship program that is advocated, but again I get back to the fact that I believe the Klamath tribal Indians, or tribe of Indians, can manage as well as anyone, and it is their resource and it can't be dissipated more than what the people here, that is lumbering industry any other things, commodities that are going to buy this stuff can stand. The only difference being in self-management plan and other utilities that might be set up is that these people should have that much right to use, and a privilege to try and use their knowledge, if any, or their education, if any, or their handling of business. It is their property and I think it is rather far along to ask complete repeal. There have been considerable changes made. But it isn't too far along to have this modification.

Mr. Wolf. Thank you.

Senator Neuberger. Thank you very much, Mr. Robbins, I appreciate your coming.

Before we conclude, I want to express my gratitude to everybody who has come here today. I recognize that all the views have not been my own particular philosophy regarding this legislation. The hearing record, as I said earlier, will be considered by the subcommittee, by the full Interior Committee, and by the United States Senate.

I think I warned the people who agree with me in general on S. 2047, although we may all feel that there should be amendments, and I feel there should be amendments now, I warned that it will be a difficult piece of legislation to enact under the most favorable circumstances.

I believe that we need something which will stabalize the handling of this timber and will protect the natural resources involved such as wildlife and forests and so on. At the same time, I think fully that the Indians are entitled to the maximum possible price, and it is in this manner in which the legislation was drafted.

I want to particularly thank the members of the legislative interim committee for coming here. I am sure they agree with me that this is not only a difficult problem but it is a very crucial and important problem to this area and our whole State. I trust that the members of the interim committee will be able to be my guests at breakfast tomorrow morning at 7:30, if that is not too early an hour. I can tell by their smiles that it is not. Thank you so much for coming.

I want to say in conclusion that the hearing record will be kept open until approximately November 1, 1957. If anybody has any statement to submit with any bona fide viewpoint on S. 2047 and collateral issues, I hope they will send it to Mr. James Gamble, the clerk of the Senate Indian Affairs Subcommittee, at room 224, Senate Office Building, Washington 25, D. C. We will be pleased to have

your views, and provided they are not too voluminous in length, they will be included in full in the hearing record, and I urge any of you who have a bona fide and legitimate viewpoint on this to submit those views to us.

We are going to spend tomorrow trying to look at some of these resources and areas which we have been discussing today, and we will stand in formal recess until 10 a. m. Friday, October 4, at the Multnomah County Courthouse, in Portland, Oreg.

(Whereupon, the hearing recessed at 6:20 p. m.)

AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

OCTOBER 4, 1957

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Portland, Oreg.

Pursuant to recess at Klamath Falls, Oreg., on Ocotober 2, 1957, the hearing convened at 10 a. m., Friday, October 4, 1957, at room 401, Multnomah County courthouse, Portland, Oreg., Senator Richard L. Neuberger presiding.

Also present: Mr. James Gamble, chief clerk, Subcommittee on Indian Affairs; Mr. Robert Wolf, forester, Subcommittee on Indian Affairs; and Mr. Earle Wilcox, forester, Management Specialists.

Senator NEUBERGER. Will the subcommittee hearing please come to order? The Chair would like to make a brief statement before we have the first witness of the morning.

There has been some comment in the press as to why only one Senator is present, and I believe that some explanation should be made of that. As you realize, we have just come through what is probably the longest peacetime session that Congress has held in many decades, if not in modern times. The Senate was particularly busy, because the last 8 or 10 weeks were involved in very late, or even around-the-clock sessions on the civil-rights bill. Therefore, most of my colleagues are trying at this time to get a much-needed and much-deserved rest.

However, this subcommittee hearing, with the chairman of the subcommittee present, was authorized by all the members of the Senate Indian Affairs Subcommittee. We in Oregon must realize that, at least to a good many Senators from the other 47 States, this appears to be a problem involving only 1 State. I do not believe that is true, because the welfare of our Indians is the problem of all 48 States. However, the fact remains that the other members of the Indian Affairs Subcommittee, both Democratic and Republican, felt that their purpose and their interest would be served if we obtained in the State of Oregon a complete hearing record on this very urgent question. Therefore, the hearing record which we have obtained at Klamath Falls, and which will be obtained today at Portland, is, to all intents and purposes, what may very substantially determine the fate of this bill.

The bill I refer to is S. 2047 to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians. Because the hearing record may well determine the destiny of this bill, it undoubtedly will have the determining and final effect on the disposition of the resources and assets of the Klamath Indians. Thus,

although you may be only speaking personally to one member of the Indian Affairs Subcommittee, you will be talking through the record to all the members of the subcommittee, to all the members of the Senate Interior Committee, and to all the Members of the United States Senate.

These hearings will be printed and they will be made available to all Members of the Senate and to the general public. They will be present and available when the Senate Indian Affairs Subcommittee considers this bill, when the Senate Interior Committee considers this bill, and should it reach the floor of the United States Senate, which is at least my hope, all the Members of the Senate will have these hearings available. So anything that you say on either side of this issue, or even if you are neutral on the issue, is certainly going to have a very profound impact on the decision which is reached by the Congress of the United States.

I wish to point out that we have had what in my estimation has been a very useful and valuable hearing at Klamath Falls. The chairman of the subcommittee separated the hearings at Klamath Falls and at Portland for one very important reason. We felt that at Klamath Falls we had an opportunity to afford a full chance for expression and discussion to the Indian tribal members of the Klamath Tribe and to the general community at Klamath Falls who, of course, are profoundly affected by what happens in this situation.

However, there is, in addition, a statewide interest in this question, and we felt it might be of greater convenience to those people who have a statewide interest if we held 1 day of hearings at Portland, which is more nearly accessible to the people at the State Capitol and the people who belong to statewide organizations which generally have their headquarters either in Salem or in Portland.

I just wish to comment briefly on one aspect of the full-day hearing which was held in Klamath Falls. At least so far as the chairman of the subcommittee is concerned, the information which surprised me the most, and I am sure it will surprise my colleagues the most, was essentially this: We had testimony from a representative of leaders in the Klamath Falls business and commercial community, that they actually did not know what was in the bill which became Public Law 587 at the time that that bill reached final passage in the Congress and was signed by the President.

These people pointed out to our subcommittee, and for the record, that when the bill reached final passage, it was in a form different than that on which hearings had been held in Washington and in the Klamath Falls community. They said that had they been aware of the contents of the bill at that time, they would have opposed it. This was in answer to questions from the Chair as to why they had not either opposed the bill in the Congress or urged its veto by the President when it reached the White House.

For example, I should just like to read again for the record two paragraphs from page 4 of the testimony submitted to us on behalf of the Klamath County Chamber of Commerce. I am going to read these paragraphs because to me they are profoundly significant, and I am sure that they will be significant to be repeated for the record and to the people who are today in the hearing room in Portland. I shall now read these two paragraphs:

Unfortunately, the bill which was passed by Congress bore little resemblance, insofar as the disposition of the tribal assets was concerned, with Senate bill 2745 upon which hearing was held in Klamath County and which was studied and discussed by the chamber and by the people of this county.

The Congress substituted for section 5 of Senate bill 2745, the present section 5 of Public Law 587 which eliminated the period of further study and planning, and substituted a crash program for the sale of tribal assets. This was done without the knowledge of the people of Klamath County. In fact, the Klamath County Chamber of Commerce was unaware that this amendment had been made until after the bill had been enacted and signed by the President. There was absolutely no advance warning ever given the people of this county that Congress intended to make this change and radically depart from the bill upon which hearing had been held in this county.

Testimony of a very parallel nature, although not in writing so I can repeat it here, came from the representatives of the Indians. In fact, the spokesman for the Indians said to us that they were so profoundly disappointed in certain aspects of Public Law 587 that, should the Federal purchase bill fail, it was their hope that the termination law could be repealed. However, the Chair wishes to say that while he is not a legal or constitutional expert, he realizes that certain very grave legal and constitutional difficulties would impose themselves to any such solution.

It is entirely possible that certain rights have vested and, therefore, it is to all intents and purposes impossible to repeal termination. In other words an egg, having been broken, cannot be put back in the shell. Therefore, we are confining ourselves today to S. 2047, to any support of it, to any opposition to it, and to any suggestions for changes in it.

S. 2047, I have repeated earlier, is the bill introduced by me for Senator Morse and myself on May 9, 1957, to provide for acquisition by the Federal Government of the tribal lands of the Klamath Tribe of Indians.

In conclusion, I want to express my very deep appreciation to everybody who has cooperated in these hearings and particularly to the legislative interim committee created by the Oregon State legislative session of 1957 to deal with Indian problems confronting the State of Oregon. This committee consists of members of both the senate and house of the State legislature and members from the general public appointed by the Honorable Robert D. Holmes, Governor of the State of Oregon. The majority of the members of the interim committee attended our session in Klamath Falls and then went with us on October 3 for a very valuable and very informative tour of the Klamath Indian Reservation.

In company with the State of Oregon legislative interim committee, we saw some of the vast virgin stands of ponderosa pine belonging to the Indians. We saw examples of both prudent and imprudent cutting which had occurred in the past on Indian lands, and we saw the very extensive marsh belonging to the tribe on which waterfowl nest and breed and rest on their very inspiring flight along the Pacific flyway between the Canadian arctic and the Tropics, and this tour which lasted from early in the morning until late in the day impressed upon us the very great responsibility which is ours.

So I am extremely grateful to the legislative interim committee for the time they have taken and the interest they have shown, and

we are going to have a representative of the interim committee present a brief statement later in this hearing here at Portland.

The people who are participating with the chairman of the subcommittee today are on my left, Mr. James H. Gamble, chief clerk of the Indian Affairs Subcommittee of the United States Senate, which is a subcommittee of the Senate Interior Committee; and on my right, Mr. Robert Wolf, who is forester with the Indian Affairs Subcommittee and is on loan to the Senate Interior Committee from the General Accounting Office. We also have asked to sit with us as a guest an individual who has been extremely helpful and valuable to us, Mr. Earle Wilcox, who is the forester associated with the Management Specialists. The Management Specialists are the group of custodians of tribal assets who are charged with the liquidation of these assets under Public Law 587, who were appointed by Secretary of the Interior McKay to handle this very important matter.

I wish to thank the Management Specialists for the very fine degree of assistance and cooperation which we have had from them, and I wish particularly to thank Mr. Wilcox for arranging the tour of the Klamath Reservation, which I know was most useful to the subcommittee chairman and the members of the legislative interim committee.

Our first witness today will be Mr. Charles Brooks, who is the assistant to the Honorable Wayne Morse, senior Senator from Oregon, in charge of Senator Morse's Oregon office, and Mr. Brooks will present a statement today on behalf of Senator Morse. Mr. Brooks, we are very pleased to hear from you at this time.

STATEMENT OF CHARLES BROOKS, ASSISTANT TO HON. WAYNE MORSE, UNITED STATES SENATOR FROM THE STATE OF OREGON

Mr. CHARLES BROOKS. Thank you, Mr. Chairman. Senator Morse appreciates the courtesy of the chairman in allowing me to present the statement for him. He regrets that he is unable to be here in person. I will proceed to read his statement into the record.

"The opportunity to appear before you during this hearing on the Klamath termination legislation is most welcome because the subject is of great importance to the Klamath people and the people of the State and Nation. My remarks shall be brief in order that the people of Oregon may have ample opportunities to present their views to this committee.

"I am privileged to be a cosponsor of my colleague's bill, S. 2047. I say 'privileged' with the highest sincerity because I am proud that Senator Neuberger has, in a few short years of service in the Senate, established an enviable reputation in the field of conservation, natural-resource development, and in the welfare of our Indians which is known throughout the Nation. When an important issue, such as the future of the Klamath Reservation under the existing Termination Act, comes under study many of us in the Senate will look to Senator Neuberger for guidance and counsel. We know he has remarkable wisdom and foresight on such matters. We know that the public interest is his chief consideration.

"I joined in S. 2047 in order to help put before the people a solid proposal in a quest for a sound solution to the problem posed by

Public Law 587. We have two duties that we must perform in deciding upon the changes that are needed in the existing law and these obligations provide the criteria that we must use. One of these relates to the Indians themselves; the other to the natural resource heritage which we owe future generations.

"With respect to the Klamath people, the solution we reach should provide them with justice and equitable treatment. Those who wish to withdraw must receive the fair value for their share of the property, and those who elect to join together in the management of their property must be given a plan which assures its success.

"When the Klamath bill was proposed by the administration and enacted by the 83d Congress, I am sure that it was the thought of the Congress that the Klamath people would organize into some sort of an entity and continue the sustained-yield forest operation which the Indian Bureau started some 40 years ago. I am sure that the Congress did not believe that a last minute amendment to the bill made in the House, which changed it so that members who desired to withdraw can demand that the reservation property be sold to satisfy their desires, would so change the bill as to destroy its purpose. Recent studies show that as many as three-quarters of the Klamath people will elect a course which will require the liquidation of this reservation and its great timber resource, thus the problem facing the executive branch and the Congress is substantially different than that which was originally contemplated. This law if carried out will convert trees into dollars in a way that may do great damage to the Klamath people and the great resource which is a heritage for all.

"To avert this catastrophe Senator Neuberger and I introduced S. 2047. We did so because it is generally agreed that if this reservation is 'put on the block' we are running the risk of depreciating the proceeds the Klamath people expect, ruining a natural resource, promoting a boom and bust for Klamath County and economic dislocation in the entire western pine lumber industry. I would like to add here that according to advice given to the subcommittee, the Western Pine Association has not chosen to come forth at these hearings to express its views on the serious problem that they face. If this is true it is a great disappointment to me.

"The Klamath Reservation exists because of a treaty between the Klamath peoples and the Federal Government. When the Federal Government goes about changing the method of operation for this area of almost 1 million acres I believe it has the responsibility to consider the impact on all the affected people and upon the great natural resources these lands provide. We know, for example, that there is no law, State or Federal, that requires the practice of sustained-yield forestry on private lands. We know that the timber industry has resisted with every means at its command legislation to accomplish this goal. We know that the Federal Government has practiced a very high type of sustained-yield forestry on the national forests and other forest lands under its jurisdiction. We know that the Bureau of Indian Affairs has done an outstanding job on the Klamath Reservation in our State. If we now permit this reservation to be sold as required by Public Law 587, we know that a substantial amount of the timber will be cut off without adequate regard for the growth of a new crop and for sustained-yield operation. The rapid

cutting of this timber would have adverse effect on our water and soil resources in Klamath County and valuable flyways used by migratory birds may be destroyed.

"Because this reservation is mainly timberland I respectfully suggest to the committee that it gather information on the logging practices on adjacent private and Federal lands. I am confident that the publicly owned lands which are under sustained yield will all show the results of good management. I am also confident that the situation on private lands will prove spotty and that an objective evaluation will show that cutting practices are falling short of permitting sustained yield. In every State in our Union there is stark evidence that the timber industry has cut billions of feet of timber with little concern for the future. I am advised that today we may have a problem of this sort developing in the Coos Bay area of our great State. Before the Federal Government decides to open this timber up to the private lumber industry, it should be assured that this reservation will not be treated as so many millions of acres have been.

"I want to emphasize that the problem before us is a federally created problem. It is the Federal Government which made the treaty, which has managed this reservation, and which has carried the responsibility for the special programs for the Indians. For my own part it would be unthinkable for the Federal Government to walk off this reservation at this juncture under the misguided notion that there is some sort of a homegrown variety, or what some people call a local problem. I join with my colleague in telling the people of my State that they are being called upon to meet a challenge in the conservation of human and natural resources. I pledge my efforts to insuring that the Federal Government discharge its responsibilities. I also join with Senator Neuberger in warning that the leaders of our State must be prepared to consider what they must do if the Congress and the administration fail to adjust Public Law 587 to provide the protection that the Klamath people and the people of this State deserve. I want to assure the chairman of this subcommittee, Senator Neuberger, who is also my warm and close personal friend, that I shall look to him for guidance on the course of action that we should ultimately follow and to assure him of my complete cooperation."

Senator NEUBERGER. Thank you very much, Mr. Brooks. I appreciate the statement you have made and I appreciate Senator Morse's overly generous references to me. With his characteristic vigor, Senator Morse has proved of constant value to us on the Indian Affairs Subcommittee in trying to reach some fair solution to this very difficult problem. I want to say for the record that if it had not been for the help of Senator Morse and his valuable assistance in passing the termination-postponement bill, S. 469 of this year, we would not be here today holding these hearings because we would have been denied the time and elbowroom to try to work out some orderly solution.

So I hope you will express to Senator Morse our appreciation for his efforts in the past and for his assurance of his continued cooperation in the future. And I want to say that I am particularly pleased that Senator Morse's statement carried with it at the conclusion, when you presented it, a warning to the leaders of our State that should Congress and the President not bring forth some solution to

this, that they certainly must stand ready to fill in the breach, because I believe that is particularly important for them, the people in Oregon, to bear in mind.

Mr. BROOKS. Thank you, Senator Neuberger, and I will tell Senator Morse of your kind thoughts.

Senator NEUBERGER. Thank you very much, Mr. Brooks. Particularly important and pertinent, because we have just been discussing the State of Oregon's possible responsibilities which may occur in this matter, our next witness will be a representative of the State of Oregon, a member of the legislative interim committee on Indian affairs, one of the legislative members, the Honorable Sam Wilderman, State representative from Multnomah County. Mr. Wilderman was one of the members of the legislative interim committee who were with us at Klamath Falls and in touring and seeing the profoundly impressive assets of the reservation. Mr. Wilderman, we are very pleased to have you with us today.

STATEMENT OF SAM WILDERMAN, MEMBER, OREGON STATE LEGISLATIVE INTERIM COMMITTEE ON INDIAN PROBLEMS

Mr. SAM WILDERMAN. Thank you, Senator. Mr. Chairman, all 5 of the 7 members of the Oregon State interim committee on Indian problems who attended the hearings conducted by your subcommittee at Klamath Falls October 2 and 3 as to the possible future plans for the Klamath Indian Reservation are unanimous in their opinion that the termination of Federal control over the reservation presents a grave problem to the Federal Government, the State of Oregon, and to the people involved.

Members of our committee are particularly interested in the many plans presented at the Klamath Falls Indian hearings for the possible solution to this problem.

After a meeting of the State interim committee at Klamath Falls Thursday, it was the consensus of the committee that the only solution to the problem is the purchase of the reservation by the Federal Government. Our committee has been instructed to work toward that end.

Members of the State interim committee who attended the meeting of the committee at Klamath Falls included the following: Leander Quiring, State senator from Umatilla County, acting chairman; David Epps, Sweet Home; Roy Geinger, Chiloquin; John Kerbow, State representative Klamath County, and Sam Wilderman, State representative Multnomah County.

The committee wishes to thank Senator Neuberger and his staff for their utmost cooperation with and assistance to the State interim committee.

Senator NEUBERGER. One thing disturbed me, and I am sure you may share my feeling in this respect. In the bill before us, S. 2047, which I am so pleased that the legislative interim committee has endorsed, we are asking the United States Government to appropriate somewhere between a hundred and a hundred and fifty million dollars for the purchase of this reservation, and I have been disturbed to note that your interim committee, which is considering this important matter from the aspect of the State of Oregon, has been allowed only

$10,000 for its expenses by the Oregon State Legislature. And it does seem to me that that is certainly an insignificant amount for the State to study this urgent question, and it is my hope that perhaps you can induce the forthcoming special session or the emergency board to add to the machinery for you to handle the State's end of this very urgent responsibility.

Mr. WILDERMAN. Senator, I might mention that we didn't know the importance of the problem until we got down to Klamath Falls Wednesday and Thursday. I mean, we didn't realize the significance, what it would mean to the State of Oregon, what it would mean to the people from Klamath County and the people on the reservation. We just didn't realize how tremendous the problem is, but we certainly realize it now.

Senator NEUBERGER. I hope you can present those facts to some of your colleagues.

Mr. WILDERMAN. I certainly will, and thank you very much.

Senator NEUBERGER. Thank you very much for coming and thank you again for your earlier cooperation.

The next witness will be Mr. George Weyerhaeuser, representing the Weyerhaeuser Timber Co. Mr. Weyerhaeuser, we are pleased to have you here with us today.

STATEMENT OF GEORGE WEYERHAEUSER, REPRESENTING WEYERHAEUSER TIMBER CO.

Mr. WEYERHAEUSER. Thank you very much, Senator Neuberger. I would like to say that our company appreciates the opportunity to present our opinions on this very important matter.

Senator NEUBERGER. If I am not mistaken, I think—correct me if I am wrong on this—isn't the Weyerhaeuser Timber Co. the largest timber company operating in the area where the Klamath Indian Reservation is located?

Mr. WEYERHAEUSER. Yes, I believe that is correct.

Senator NEUBERGER. And you have the most extensive operations and timber holdings in that area, if I am not mistaken, of any private company.

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. Thank you.

Mr. WEYERHAEUSER. I would like to say before I begin my remarks that with regret I am replacing our manager of forestry land and timber, Mr. Dave Weyerhaeuser, because of illness, and if in the questions or throughout the testimony any pertinent questions arise that I can't answer, we will attempt to get our expert witness' opinion on that matter.

Senator NEUBERGER. If there are questions which you cannot answer, you will have an opportunity to answer them later on in writing before the hearing record closes, and I hope you will extend to Mr. Dave Weyerhaeuser our best wishes for a complete and early recovery.

Mr. WEYERHAEUSER. I certainly will.

Senator NEUBERGER. Please go ahead with your statement.

Mr. WEYERHAEUSER. As a longtime neighbor and customer of the Klamath Indians, Weyerhaeuser Timber Co. is interested in the effects of the prospective termination of Federal supervision over the prop-

erty of the Klamath Indians. We appreciate the opportunity to express our views about the disposal of the Indian timber. We hope that what we have to say may contribute to the solution of a problem of paramount importance to our Northwest timber economy.

By way of background, we should like to describe briefly our own operation in the Klamath Basin. We have owned lands and timber in the basin for more than half a century. Since 1929 we have operated a sawmill and related manufacturing facilities.

We manage our timber in accordance with sustained-yield principles so that we will have a continuous and permanent supply of raw material for our mills. This involves selective cutting of mature pine stands and management of residual stands so that growth equals cut. This supply is about half of what we need to operate our Klamath mills at their full capacity of 200 million feet per year.

In recent years we have reduced our production rate to about two-thirds of capacity to conform to the allowable cut on our own lands and the limited amount of timber available for purchase from public agencies. While reducing the amount of lumber we produce, we have substantially expanded our facilities for remanufacturing and finishing rough lumber, some of which we purchase from others. Also, we have built a hardboard plant that utilizes defective white fir and sawmill waste for which there is no other use. In this way there has been a substantial increase in the number of jobs, based upon a given quantity of raw material. For example, in 1942, our peak production year, we employed an average of 1,176 persons. Today, in producing less than two-thirds as much lumber as in 1942, we employ 19 percent more people, or a total of 1,396. Thus the level of employment has increased while the drain on local resources has been decreasing. Because of our adherence to sustained-yield forest management, it has been possible to increase the stability of this higher level of employment.

The importance of the Indian timber to the general area can be appreciated only if we consider briefly the timber resources and utilization facilities in the general area. (We define the general area as Klamath, Lake, and Deschutes Counties.) The commercial timberlands in this area are owned as follows:

	Acres	Percent
Federal agencies:		
U. S. Forest Service	2,480,000	54
Bureau of Land Management	117,000	3
Indian Service	779,000	17
All non-Federal ownership	1,221,000	26
Total	4,597,000	100

The mills in Klamath County require about 365 million board-feet of logs annually to maintain their present level of operations, which is less than capacity. Those in the 3-county general area now use more than 600 million board-feet of logs annually.

Half these requirements are met by the present allowable cut from all Federal lands, including the Indian lands, which comprise about three-quarters of the total commercial-timber acreage. The annual allowable cut from Federal-agency lands, including 80 million feet

on Indian lands, is 175 million board-feet for Klamath County and 325 million board-feet for the 3-county area. Thus, non-Federal lands, with 26 percent of the total acreage, are now supplying 50 percent of the logs. Since they cannot do this indefinitely, it is obvious that there already exists milling capacity substantially in excess of the timber available. A substantial overcutting of most private lands has resulted. Because of this overcutting, the problem of excess capacity may get worse in the next few years.

We seem to have come to a turning point in the history of the tribal timberlands. The Klamath Indians are beneficiaries of a policy of sustained-yield management that has been practiced since 1913. This policy has preserved a going business of great value. The latest report of the Management Specialists shows that tribal lands will support an allowable cut of 90 million feet through 1964, and, after that, 76 million feet in perpetuity (Tentative Plan of Management, August 1957, p. 22). This 76 million cut would produce annual net revenues of about $2,250,000 for the Indians. By ironic analogy to the widely publicized situations where people take over a business and then liquidate it, this going timber business appears to be worth more dead than alive. This results from the greater value of timber available for immediate cutting, assuming that a market exists. Consequently, pressures have been building up over the years to liquidate, rather than to continue, the tribal timber operations. This would involve cutting mature stands down to the minimum required by law. A significant part of this current pressure appears to be the widespread belief that the timber must be disposed of in order to permit the Indians to achieve emancipation from their wardship.

On the assumption that the timber will be disposed of, we believe that whatever method is adopted must satisfy the following basic objectives:

1. Sustained yield management of the timber must be continued in the interest of sound conservation, protection of the entire economy, preservation of watershed values, and for all the other reasons that have induced many forest owners, both public and private, to adopt this principle of forest management.

2. A "boom and bust" cycle for the basin area should be avoided. Mill capacity already exceeds the timber supply. Consequently, the basin may, like other timber-dependent communities, anticipate a moderate decline in forest employment. The Federal Government should not take any action that will inevitably aggravate this decline.

3. There are many small mills in the basin entirely, or almost entirely, dependent upon timber from outside sources. The timber must be disposed of in a way that will preserve for these mills an opportunity to use it in the future.

The achievement of these objectives has been complicated by the widespread disregard of the basic economic premise that is well stated in the old adage that "a bird in the hand is worth two in the bush." In fact, it may take several birds in the bush to equal one in the hand, when we are comparing the value of dollars to be received in the future with dollars in hand today. For example, if we discount future payments at 6 percent, it would take $10 payable 40 years from now—or less than halfway through the cutting cycle—to equal

$1 received today. Likewise, it would take almost $2 to be received in 10 years—the shortest period over which the Indian timber could be liquidated—to equal $1 in hand today. Nevertheless, great expectations have been based upon the multiplication of 4 billion feet of timber by the current average retail price of $30 to $35 per thousand.

We assume that this timber will be marketed in an orderly manner, and that during this period the allowable cut from other Federal lands will be offered for sale. On this premise it is our opinion that it would take close to 15 years for the existing mills to liquidate the timber. We can only speculate about the amount of new milling capacity that might be attracted to the basin by the unrestricted sale of the Indian timber. Some new companies might buy timber in the expectation of liquidating it over a 10- to 15-year period. Such an operation would almost inevitably be based upon a limited investment. The number of man-hours per thousand feet of logs would be proportionately small. Following the short boom would be the inevitable "bust."

A dollar payable at the end of 15 years, the period over which the timber might possibly be liquidated, is worth only 48 cents at a 5 percent discount, or 43 cents at a 6 percent discount. Yet this is more than twice as much as the value of a dollar payable at the end of 30 years. This highlights the difference between the value of the timber sold without restriction on the one hand, and timber sold with sustained-yield restrictions on the other.

Whoever purchases the timber cannot afford, as a timber owner, to practice sustained-yield forestry if he is required to pay the present liquidation value of the timberlands.

There are two basic questions that must be answered with respect to the disposal of the Indian timber: (1) How should it be sold? and (2) to whom should it be sold? In order to answer these questions we must distinguish the various capacities in which the Federal Government is operating. The failure to do so has, in our opinion, been the source of much confusion. Let us look briefly at the separate roles in which Government is acting.

First, the Government is the guardian of the property of the Indians. As such, it has a narrow and unqualified duty to try to get everything it can for the Indians without regard to the interests or welfare of any other group. In discharge of this duty, it should sell the tribal timber in a manner that will produce the largest aggregate price for the Indians. Since it will take at least 15 years to cut the timber, the aggregate sales price, reflecting the deferment in recovery of costs, will be substantially less than an amount determined by multiplying retail prices paid over the last 2 or 3 years by the total volume of timber. Moreover, if the timber is sold in a short period, the excess supply will depress prices further. The prices that would be received, or the liquidation value, would probably not be materially greater than the sustained-yield value.

The second capacity in which the Government is acting is as the sovereign. As such it is the Government's function to propound and carry out policies that will be beneficial to all segments of the economy. It is in its sovereign capacity that the Government has spent billions of dollars to protect and build up other areas and other watersheds

through reclamation projects, dam construction, and similar projects. Like consideration should lead the Government in its sovereign capacity to require that this tremendous block of timber be managed on a sustained-yield basis in the interests of the basin, the Northwest, and the economy of the entire Nation. Congress started a chain reaction when it passed the Termination Act. Unless Congress controls this chain reaction by preserving the existing limitations on cutting of Indian timber, the economy, the timber resources, and the watershed values of the Klamath Basin are doomed to irreparable injury.

By imposing a limitation upon the cutting of timber, the Government in its sovereign capacity may deprive the Indians of an element of value. This element would be measured by the excess of what they could receive for the lands sold without cutting restrictions over lands sold with restrictions. This would give rise to an obligation on the part of the sovereign to compensate the Indians for the value of this element of their property rights. This obligation relates to those who stay in the tribe and manage their lands on a sustained-yield basis, as well as to those who withdraw and sell their lands to others for sustained-yield operation.

Finally, the Government, as a prospective purchaser of the Indian timber, operates in a proprietary capacity. When the Government buys property in this capacity it should not be expected to pay more for such property than its true value. Thus, if the Government, as a proprietor, buys timber subject to sustained-yield cutting limitations, it cannot be expected to pay more than the sustained-yield value of such timber. In other words, acting in its proprietary capacity, the Government cannot pay any more for the timber than a private operator. Certainly it cannot as a proprietor borrow over $100 million at 4 percent interest, and amortize the purchase price out of annual gross receipts of less than $3 million. In paying an amount greater than the sustained-yield value of the timber, the Government is discharging its obligation as a sovereign, rather than paying a purchase price that it could justify as a proprietor.

The management specialists, in considering how the timber should be disposed of, start with two premises. First, the property must be managed on a sustained-yield basis; second, the Indians should be compensated for the reduction in value caused by such restriction. From these premises they draw a conclusion that we do not accept, namely, that the timberlands must be sold to the Government.

This conclusion flows from the following syllogism, which we have modified only by clarifying the term "Government" in each proposition:

(1) The Government—as guardian—must obtain for the Indians the liquidation value of the timber;

(2) Only the Government—as sovereign—will pay the full liquidation value of timber that is subject to sustained-yield management restrictions;

(3) Therefore, only the Government—as proprietor—can buy the timber.

The trouble with this syllogism is that the word "Government" is used in different senses in the premises and the conclusion. We suggest that a more logical syllogism is the following:

(1) The Government—as guardian—must obtain for the Indians the liquidation value of the timber;

(2) The Government—as sovereign—should pay any excess of liquidation value over sustained-yield value as compensation for a restriction imposed by it for the benefit of all;

(3) Any proprietor—whether Government or private—purchasing the timber with sustained-yield restrictions should not pay any more for it than its sustained-yield value. Conversely, any person, including a private enterprise, willing to pay the sustained-yield value has as much right to purchase as does the Government—as proprietor.

We do not accept the conclusion that Government purchase is the only way to provide sustained-yield management of these lands. We see no reason why the Government's present ownership of almost three-fifths of the commercial timberlands in the general area should be increased to three-fourths. Furthermore, we note that doubts have been expressed about the willingness of Congress to appropriate the money necessary to pay the Indians the full liquidation value of their property.

Previous witnesses have assumed that there are only two methods of disposal—to the Government for sustained-yield operation or to private owners for unrestricted cutting. We believe there is a middle ground—that sustained-yield management can be required and private owners can be permitted to bid on the timber.

If this approach is adopted, the Federal Government would be obligated only to indemnify the Indians for any reduction in the market value of their timber caused by cutting restrictions. Consequently, the amount of Federal funds required would be substantially reduced.

We now come to the most difficult question—how should the sale be handled? Any sustained-yield value of the timber should be established by appraisers. This value would reflect the costs during the cutting cycle for interest, carrying charges for the timber, and would also reflect risks of destruction by fire and disease, together with the risk of economic obsolescence. The appraisers should likewise develop a liquidation value that would reflect all these factors through the period of expected liquidation. In addition they would take into account the effect on prices of the sale of the large volume of timber.

Thereafter, the timber would be offered for sale subject to sustained-yield management requirements. A minimum price based upon the appraisal might be established. In the absence of any bids by private companies, the Government would have a right to bid in a parcel at the minimum price.

The amount of compensation to be paid to the Indians on account of the sustained-yield restrictions would be the excess of the appraised liquidation value over the prices actually received.

In order to accommodate the needs of the smaller companies the timber should be offered for sale in parcels of varying sizes. Some should be small enough to be handled by any company. As an alternative, part of the timber might be held by the Government for periodic sale of the allowable cut.

In considering whether smaller companies might be interested in buying the Indian timber for sustained-yield management, it should be borne in mind that there will be a continuous offering of Forest Service and Bureau of Land Management timber. Consequently, any particular company would not have to set up a sustained-yield unit

large enough to support an entire mill. Instead, the unit would merely supplement public timber purchases.

Financing is frequently the principal barrier to acquisition of timber for sustained-yield operation. A possible way of eliminating this obstacle would be to offer the timber for sale on alternate bases. A purchaser could pay cash or, alternatively, pay the purchase price on an installment basis with a minimum downpayment. These installment payments could be used to meet the principal payments becoming due over the next 15 years to Indian minors upon reaching their majority. Also, the installment contracts might be an investment outlet for any adult Indian who wished to spread out the receipt of their share of proceeds.

We have considered thus far only certain economic aspects of the termination. We are not addressing ourselves to the method of handling the wildlife resources. We will say in passing that they are separate from the timberlands so that the public or private purchase of the timberlands does not require a similar disposal of marshlands.

Finally, we recognize that the problem of overriding importance is the assistance of the Indians in their transition to the status of full-fledged independent citizens. We believe that this committee deserves the highest commendation for the sincerity and industry with which it approaches these problems.

Senator NEUBERGER. Thank you, Mr. Weyerhaeuser. You have certainly presented a thoughtful statement here today, and one which I know is going to receive a great deal of consideration from the subcommittee and from the Congress.

I think it is the obligation of the staff and myself to clarify with you certain aspects of your statement. First off, I want you to understand just three things. One is I had nothing whatsoever to do with the termination program. It occurred before I became a Member of Congress.

Secondly, as one of the Senators from Oregon and as chairman of the Indian Affairs Subcommittee, as I see it, I have two obligations—one is to the Indians; one is to the general public. For the Indians I must try to secure as fair a price as possible, which means the maximum price possible to them for their assets. Thirdly, to the general public we must try to keep this vast timberland and the related marsh from being liquidated to preserve them as integral units.

These are some of the questions I would like to ask you, derived from your very thoughtful statement: First, you said in your statement:

> We assume that this timber will be marketed in an orderly manner, and that during this period the allowable cut from other Federal lands will be offered for sale. On this premise it is our opinion that it would take close to 15 years for the existing mills to liquidate the timber.

Now, you are aware, Mr. Weyerhaeuser, that Public Law 587, which is still the law of the land, does not provide in any way for an orderly liquidation. Are you aware of that?

Mr. WEYERHAEUSER. Yes; I am aware of it.

Senator NEUBERGER. In other words, then, you realize that this law would have to be substantially amended for your statement to assume any degree of accuracy when you say, "We assume that this timber will be marketed in an orderly manner." You are aware of that?

Mr. WEYERHAEUSER. That is correct; we are assuming that further action will be taken.

Senator NEUBERGER. And you would agree with us, or with me, let me say—I can't speak for my colleagues—but you agree with me that the orderly manner of liquidating the timber cannot take place under Public Law 587 as presently written?

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. Let me ask you this: What are your ideas on how to achieve an orderly liquidation if sustained yield under public or private purchase is not possible? Would there be any other way of achieving it?

Mr. WEYERHAEUSER. I can't visualize it.

Senator NEUBERGER. I think I would agree with you on that. On page 2 of your statement, the Weyerhaeuser Timber Co., speaking through you, has listed the Indian lands in the Klamath Basin and on the reservation as lands under the control of the United States Government. Is that not correct?

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. Even though legally these are private lands, is that not correct? In other words, they belong to the Indians, the Government has administered them as trustee for the Indians, but they are private lands, but you have listed them——

Mr. WEYERHAEUSER. As administered by a Federal agency.

Senator NEUBERGER. So in other words, if Federal acquisition took place, there would not be any change in the indicated control of these lands which you have stated in your prepared testimony for us. Is that not true?

Mr. WEYERHAEUSER. That is true.

Senator NEUBERGER. In other words, if the Federal purchase bill passed, the present method of administering the Indian lands would not substantially be altered. It might be a different governmental agency, and I want to ask you about that in a minute, but the present method of administering them would not be substantially altered.

Mr. WEYERHAEUSER. That makes an assumption that they would be handled in similar fashion to the Forest Service lands.

Senator NEUBERGER. That is correct.

Mr. WEYERHAEUSER. If I can make that assumption, the answer would be correct.

Senator NEUBERGER. You have not found, I take it, the present administration of these Federal lands in the Klamath Basin too repugnant to your company, have you?

Mr. WEYERHAEUSER. Certainly not repugnant, no.

Senator NEUBERGER. Well, let me say in any way affecting the adverse interests of your company?

Mr. WEYERHAEUSER. No, I don't believe we have.

Senator NEUBERGER. If this land went into Federal ownership, what Federal agency or arm of the Federal Government would you and your company recommend as custodian? You realize there are a number of alternatives.

Mr. WEYERHAEUSER. Yes, I do. I don't think I am in a position to answer that question, Senator. The whole gist of our presentation has been that we believe that there is an alternative here for private

operation under competent management. As to possibilities of Federal management, we have not addressed ourselves to that question.

Senator NEUBERGER. I would like to ask you about what I regard as the key paragraph in your testimony, on page 9, if you could turn to that, please, and I am just going to read these paragraphs to you, if I may, because they are very short:

> Previous witnesses have assumed that there are only two methods of disposal—to Government for sustained-yield operation or to private owners for unrestricted cutting. We believe there is a middle ground—that sustained-yield management can be required and private owners can be permitted to bid on the timber.
>
> If this approach is adopted, the Federeal Government would be obligated only to indemnify the Indians for any reduction in the market value of their timber caused by cutting restrictions. Consequently, the amount of Federal funds required would be substantially reduced.

Now, you have not spelled out your proposal in too great a detail, although I think certain phases of it are evident. But here are some questions that immediately come to my mind as a result of your proposal. Why, in your opinion, should we strictly regulate cutting on this land but on no other private land?

Mr. WEYERHAEUSER. I think that these lands have had a history of sustained-yield cutting. We believe that sustained-yield cutting is in the best interests of the basin, of the industry, of the Government. We believe that sustained-yield management of these lands is in the best interest of all parties and that it can be accomplished without serious or any loss in value to the Indians. And we believe it for this reason: When we say that there is a liquidation value and a sustained-yield value, I think that our position is that those values are not as far apart as certainly newspaper reports and figures which have been quoted before this subcommittee have indicated. We have figures available which I have not included in my report, to establish the present market value for large blocks of timber. Those figures would indicate that on a block of anything approaching 4 billion feet of timber, the present market value would be discounted by at least 50 percent in order to put it on the market in any fashion without any restrictions, and, therefore, that the sustained yield value that would be achieved through the process that we have suggested would not be drastically less than the wholesale value of 4 billion feet of timber put on the market, taking into account the milling capacity and the economic condition of the pine industry in the basin.

Senator NEUBERGER. I want to get to the price in just a minute, because, of course, that is very crucial and I would say it is of paramount importance to the Indian owners of the timber, but I want to continue for just a minute on this matter which you have proposed which would involve Government requiring sustained-yield cutting on private land. Is that not correct? Under your proposal you would require Government regulation or Government provision for a sustained-yield cutting on what essentially would then be private land. Is that not true?

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. Do you think that that is an advisable precedent to establish? The reason I pose this question is this, and I am now speaking largely from memory, so if I am not accurate I trust my colleagues will have some forbearance when they read the record. It is my understanding and memory that in the early 1940's Congress-

man Walter Pierce of the State of Oregon proposed that sustained-yield cutting be required on private lands. If I am not mistaken, there was a vast amount of protest, very indignant protest from many segments of the timber industry throughout the United States. In view of the history of Congressman Pierce's proposal, in view of the protest over Congressman Pierce's proposal, do you think it wise to set a precedent of requiring by Government fiat sustained-yield cutting on private timberlands in the Klamath Basin?

Mr. WEYERHAEUSER. I don't believe that it is desirable to set such a precedent. I believe, our company believes firmly in the policy of sustained yield. We have practiced it ourselves and we believe that the Government, Federal management over timberlands, has been correct in managing them on a sustained-yield basis. I think we further believe that we see no alternate method of putting this timber on the market without causing great damage, and we choose it as the lesser of two evils.

Senator NEUBERGER. In other words, you prefer the proposal you have made to outright Government acquisition?

Mr. WEYERHAEUSER. Yes, we do.

Senator NEUBERGER. I want to ask you about the price, because you have referred to that both in your oral testimony and in your written testimony. At the bottom of page 4, you say:

> Nevertheless, the great expectations have been based upon the multiplication of 4 billion feet of timber by the current average retail price of $30 to $35 per thousand.

If that price were realized, the sum of somewhere around $120 million would go to the Indian owners of the timber, is that correct?

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. Now, a statement of approximate value appeared in a news article in the Klamath Falls News and Herald the other evening of approximately $113 million. Isn't that correct?

Mr. GAMBLE. That is right.

Senator NEUBERGER. And it is called to my attention, too, that it appeared in the New York Times for October 1. Now, this is what puzzles me: We had some testimony at Klamath Falls on October 2 from some Indians, which indicated even dissatisfaction with the $113 million price. Yet you are pointing out in your statement that great expectations have been based on a price of $120 million, which is not greatly different from the $113 million. Under the proposal which you have voiced to us, what approximately do you think these Indians could realize from their timber?

Mr. WEYERHAEUSER. I will say quite frankly, not only I, nor could our forestry department answer that question because our information concerning the Indian timber is not—we have information concerning the timber we have cut off of Indian land, certainly, but we are not in a position to say what the value of that Indian timber is. We can take the volume figures that are present; we could project what we have cut off in the way of grade off Indian land, but I am not in a position here today to tell you what—I can't tell you what the original, true retail market value for that would be today, if there were a market existing for 4 billion feet. If I could tell you that, I could then say that is our belief, that is right, after arriving at that retail value, that if that timber were put on the market today and liquidated in the

most orderly fashion to get the highest realization from it, that the net effect would be a discount factor of in excess of 50 percent from that value, without sustained-yield cutting restrictions imposed upon the timber, and I say that and I say I believe we have figures to substantiate that premise, based on blockage of timber sold in the Pacific Northwest in the past 5 years.

Senator NEUBERGER. You are assuming that all of this timber is dumped on the market under the provisions of Public Law 587?

Mr. WEYERHAEUSER. No, I am not.

Senator NEUBERGER. You are assuming that Public Law 587 will be amended?

Mr. WEYERHAEUSER. I am assuming that this would be the effect under Public Law 587. I am assuming that not only under that law but under any provision that a prudent manager could dispose of that timber without restriction, that he would have to take on that body of timber with the present, with the milling capacity available, and present economic conditions, the true value of that timber under any conditions is 50 percent discount on current retail market prices which are quoted when you arrive at $120 million.

Senator NEUBERGER. In other words, under existing conditions you think that the Indians then would be fortunate to get approximately $60 million rather than the $120 million you mentioned earlier?

Mr. WEYERHAEUSER. The $30 to $35 figure when applied to the Indian timber, I can't substantiate because I don't know the quality of the Indian timber and I am sure unless we were to actually cruise, selected cruise it, we couldn't make such a statement. I don't know what the value of the Indian timber is.

Senator NEUBERGER. Let me ask you this: Prior to the time this hearing record is closed, do you think your company can furnish information as to some fairly accurate approximate idea of what would be received for this timber under your proposal?

Mr. WEYERHAEUSER. I believe we could if we were furnished with cruise information on grade. I don't know whether—I doubt that it is available. If it could be made available that is something else. I think we could if we had detailed cruise information over the whole area. We could.

Senator NEUBERGER. I would like to ask a question of Mr. Earle Wilcox, if I can, at this point. When will that appraisal be completed by the Management Specialist, Mr. Wilcox?

Mr. EARLE WILCOX. The appraisal of tribal resources is due for completion on October 21, which is just a few weeks' time. However, that is being done by a private consulting forestry outfit and I can't give any definite assurance they will have it completed at that date.

Mr. WEYERHAEUSER. Then the question that I would have to ask is in what detail is that information going to be? In other words, what percentage of cruise and how much of the area is covered and how much detail on grade is that report going to contain?

Mr. WILCOX. The cruise areas were specified to be within plus or minus 5 percent with one standard error, no definite percentage of cruise indicated. Each of the economic units on which there is timber has had a quality study made on it so that we have an estimated lumber recovery value for each unit.

Mr. WEYERHAEUSER. If I might, Senator, we do have our forester here from Klamath Falls and if I could talk to him for a moment, he might be able to answer that question for you.

Senator NEUBERGER. We would be glad to have him share the stand with you, and if you want to consult with him privately, that is fine, or if he wants to share the stand. Would you identify yourself, please?

Mr. THOMAS ORR. My name is Thomas Orr. I am a branch forester at the Klamath Falls branch of the Weyerhaeuser Timber Co.

We normally arrive at that value on the basis of projecting the expected lumber grade recovery, much as any Federal agency appraises timber today, and from that we would have to estimate our costs and proceed on the overturn method to establish present stumpage values.

Mr. WEYERHAEUSER. How much of a sample would we require in our own thinking to establish a value on such a body of timber as to liquidation values? In other words, would we require, if you were going to appraise this timber, a 10 percent cruise? What would we normally need before we would be fairly sure of making such a calculation?

Mr. ORR. I don't think a 10 percent cruise would be necessary on an area that large. We would have to be satisfied probably with a—and recognize an error plus or minus 5 percent such as Mr. Wilcox has indicated; as an alternative to that we would have to go to substantial expense.

Now, when we deal with small blocks, we normally cruise at about a 20 percent and will probably collect quality information on about a 5 percent in density. Whether the cruises are good or bad depends a lot on who does it and what the cruiser had for breakfast.

Senator NEUBERGER. I just want to ask Mr. Wilcox one question. Has such a cruise been made along the lines as outlined by Mr. Orr?

Mr. WILCOX. Yes, sir. We will have that cruise of the entire reservation, forest lands, broken into economic units. Within each economic unit there is a specified accuracy of cruising, that is the statistical accuracy. We have had check cruises on a number of these tracts so that we are fairly in agreement with the volumes which they will have. I would like to point out one thing, that this will not be available until it has been approved by the Secretary of the Interior. We are to receive it on October 21.

Senator NEUBERGER. And then submit it to the Secretary?

Mr. WILCOX. Yes, sir.

Senator NEUBERGER. Thank you, Mr. Wilcox. The reason I am trying to get at this so specifically, I am sure you understand. It is essentially this: This timber belongs to the Indians. It is their property. Judging from the testimony we have had at Klamath Falls, I doubt very much if the Indians are going to acquiesce in any legislative proposal unless they have a very tangible idea of the value which they will receive for the sale of this timber. In view of the fact that some of them expressed dissatisfaction even with a publicly reported price of $113 million, I was somewhat disturbed by the amount implied in Mr. Weyerhaeuser's testimony. Therefore, I cannot believe that the Indians will support any legislation unless they have a very specific idea of what they might receive for the timber.

Furthermore, it is difficult for me to believe that the Congress will amend Public Law 587 in a manner which would be opposed by the Indians.

Furthermore, I cannot imagine that President Eisenhower with the feeling he has shown for minority groups in the Nation generally, that he would sign a bill opposed by the Indians, even if it were to get through Congress, and I would not want to sponsor a bill which they actively opposed.

So unless some figure can be shown prior to any legislative submission of Mr Weyerhaeuser's proposal, I can't imagine the Indians would support it. I can't speak for them, but I am judging from the previous nature of their testimony. That is the reason I tried to get down to some such specifics.

Mr. WEYERHAEUSER. If I might, could I answer? I think that I would like to say at that point that it is our position that this could be demonstrated under the present law. This could be demonstrated under our proposition and the real value to the Federal Government on a sustained yield. We are talking about the same relative prolem regardless of how this timber is disposed of.

So that this problem of valuation does not hinge around our proposal alone. The question that you raise, the value of $113 million, and I am sure that if that were my property I would feel the same, I would like to get every possible amount of value out of it I could. The point I am raising there is that the liquidation value under the best possible circumstances can be demonstrated to be vastly reduced from that figure, and I think that can be demonstrated through illustrations of blockage sales of timber, and it can be demonstrated by taking—but arriving at the value would require taking a detailed analysis of the quality, the volume of the timber present and then demonstrating the discount factors involved in such a large sale of timber.

Senator NEUBERGER. As I gather, your proposal is substantially this; it isn't spelled out in quite the detail I would have liked, but as I gather, your proposal is this: That the timber operators bidding on the Indian timber would pay a liquidation value; is that correct? And the Government would then compensate the Indians for a sustained-yield value which would make the full price. Do I misinterpret you?

Mr. WEYERHAEUSER. I think you have reversed me. I am saying that the timber should be put up for sale under any conditions with sustained-yield limitations on it. It should be put up with an appraisal price which reflects the sustained-yield operation. It has to be, in our opinion, to prevent chaos. Given that restriction and then competitive bidding.

Senator NEUBERGER. Would take place?

Mr. WEYERHAEUSER. Competitive bidding, yes; and competitive bidding would insure possibly that they get the maximum value with the restrictions imposed. Then the other consideration is, has that restriction materialy reduced the value of the timber? I think that consideration has to be answered by comparing the value received under those circumstances with this, and I say theoretical because it has to be, but it can be determined by examining blockage sales of timber and by comparing the realization under that sale method with

the blockage-sale discount applied to full retail value, you can come up with the conclusion whether or not, and I say whether or not because I think there is a serious question of how large the discrepancy would be. I think there is a big discount on marketing 4 billion feet of timber, no matter how you do it. If you add the sustained-yield restriction, we feel that the discrepancy will not be too material, but that that is properly an obligation of the United States Government.

Senator NEUBERGER. It is your thought, Mr. Weyerhaeuser, that the Government would then make up the difference between that competitive price that the Indians would receive and the so-called theoretical price you have just mentioned, and that the Government would compensate the Indians for that difference; is that correct?

Mr. WEYERHAEUSER. As a part of their custodianship, that is correct. If there is such a discrepancy that can be demonstrated.

Senator NEUBERGER. If there is no discrepancy, the Government would not provide the Indians with anything?

Mr. WEYERHAEUSER. That is correct.

Senator NEUBERGER. They would receive the competitive price and nothing more?

Mr. WEYERHAEUSER. That is correct.

Mr. WOLF. I had an observation that Mr. Wilcox said that that information wouldn't be available until the Secretary released it. I was wondering whether it would be possible to release the timber volume and quality information without regard to your pricing recommendations to the Secretary. Have you given any consideration to releasing that sort of information?

Mr. WILCOX. We could do so only with express authority of the Secretary of Interior, any portion of that appraisal.

Mr. WOLF. In other words, I think for the Weyerhaeuser Timber Co. to get the information you suggested, it would require the Secretary's approval?

Senator NEUBERGER. I think that that could be arranged so we could have a complete presentation of this proposal.

Mr. WOLF. I would see no reason, frankly, why the Secretary wouldn't agree to releasing the timber volume and quality information. He might wish to withhold his estimate of value, or the several estimates he may have.

Mr. WEYERHAEUSER. I think if I might say, I am sure, as an interested party in the basin down there, we would feel that to be completely independent in our presentation, we would want to take any information developed to a private consulting firm and turn the information over to them and let them develop it. They would be equipped with all the knowledge that we would have. We would turn over any sales information that is available to us. But we would ask probably some competent firm, private firm, to take these figures and arrive at the conclusion.

Now, the same thing applies to them as far as information is concerned as it would to us, probably. We would be willing to do that.

Senator NEUBERGER. I would think the Secretary would release that information. Do you have any other questions?

Mr. WOLF. It would be probably up to you to ask the Secretary.

Senator NEUBERGER. I certainly would. It is my feeling I certainly can't pass upon your proposal, and I think there are some very grave

questions and doubts that it raises, but I think that this question before the Congress is so controversial that every reasonable proposal that is made should have every legitimate opportunity to be amplified in full, and if your proposal could be made adequate as to information and accuracy by the release of this data by the Secretary, I certainly would urge him to do so, and I hope and think that Secretary Seaton would agree on that.

Do you have some questions you want to ask, Mr. Wolf?

Mr. WOLF. Yes. Under your proposal would you have the Secretary of the Interior announce the minimum price on these units that he offered for sale, or just announce the volume and quality of the timber and let each buyer make his own determination?

Mr. WEYERHAEUSER. Frankly, we didn't feel that we should try to set up the procedures. In fact, we had considerable discussion about just how qualified we are to go into the administrative detail even as far as we did here.

You question how specific the proposal was. Frankly, there are people in better position than we are to judge, I think, the operating problems and certainly the overall problem, too. We have attempted to present what we feel to be a very plausible method of handling this Indian timber, and I don't know that I am doing anything toward your question at all. I'm not. But I just can't answer that question because we frankly didn't discuss it.

Mr. WOLF. As an officer in your company, if you were faced with the problem of liquidating some of your timber, would you publish, publicly announce the price that you desire to get for it, or would you expect to just announce that you had it for sale?

Mr. WEYERHAEUSER. I suppose that would depend upon the method of sale, whether it is oral or by written bid, the size of the sale. I can't answer that with a sweeping statement, personally can't. Maybe our company could.

Mr. WOLF. Do you know of any large blocks of private timber in the Northwest where the sale price, the asking price has been publicly announced in recent years?

Mr. WEYERHAEUSER. You are talking about a public offering?

Mr. WOLF. Private timber.

Mr. WEYERHAEUSER. Yes.

Mr. FOLF. Of private timber?

Mr. WEYERHAEUSER. Sure.

Mr. WOLF. Such as?

Mr. WEYERHAEUSER. I think it is customary in any timber transaction that we have been dealing in, that the dicussions get started and there is an asking price——

Mr. WOLF. Those are negotiated.

Mr. WEYERHAEUSER. Yes; I am talking about private negotiated deals. I am not familiar with any public auction or any blocks of timber.

Mr. WOLF. You pointed out that 26 percent of the timberlands here contributed 50 percent of the logs supplied to the mills in that basin. Is there some additional timber there that leaves the basin, that is cut in Klamath, Deschutes, or Lake County and goes elsewhere?

Mr. WEYERHAEUSER. It is my information that it is a very limited amount.

Mr. WOLF. Since the 26 percent of the land which is privately owned then supplies approximately 50 percent of the timber, it may not be on a sustained-yield basis.

Mr. WEYERHAEUSER. That is quite possible. There is one other conclusion that you might arrive at, and that is that the Federal lands are not contributing their full sustained yield also. I am not prepared to say yes or no on either one. I think that probably there is an element of both.

Mr. WOLF. But primarily the situation on private land outside of your own would be that it is possible that they may not be on a sustained-yield basis?

Mr. WEYERHAEUSER. I think that was our position in the statement, yes.

Mr. WOLF. If these other private owners are not on sustained yield and they already own the timber, how would the sale of this timber with a sustained-yield covenant, of this Indian timber, permit them to be on an overall sustained-yield program? In other words, they don't seem to demonstrate any great desire to be on sustained yield at this point with land they already own.

Mr. WEYERHAEUSER. I think that is true in some cases on small mills, and I think the small mill, if he had this parcel of land, would not be on an overall sustained-yield unit. I think he would have this as a portion of his supply over the long pull and would purchase, either from fee or from Forest Service and Bureau, the balance of his cut. I don't think it is feasible to say that every operator of timber has to be on a sustained-yield basis. It is just not possible.

Mr. WOLF. I am not trying to imply that he should.

Mr. WEYERHAEUSER. And it is not the case, of course. I don't know that I have answered your question.

Mr. WOLF. I don't think you have announced whether you would buy or not, but I think it is reasonable to assume you are interested at this point. What I am getting at is: Do you think there would be a substantial number of firms outside of your own that would want to purchase the reservation property with a sustained-yield covenant in it?

Mr. WEYERHAEUSER. Yes. If, again, if they are able to do so and carry the carrying charges on a reasonable discounted basis.

Mr. WOLF. I asked that because we didn't have anybody testify down at Klamath Falls from the industry that indicated an interest in buying it.

Mr. WEYERHAEUSER. With a sustained-yield restriction. Of course, I recognize that this is something that has not been discussed, and it is something that is entirely new, and we chose this method because we firmly believe in sustained yield, and we firmly believe in private ownership and operation, and that we think they are not inconsistent at all, but I don't mean to indicate from that that simply by offering this Indian timber with a sustained-yield restriction that you are automatically going to convert the private operators to a sustained-yield basis as a whole.

Mr. WOLF. What are the advantages of private timber ownership and operation over public ownership and operation?

Mr. WEYERHAEUSER. Well, I think that our whole economy is based on private enterprise and private initiative. I firmly believe that

when you get a situation where 60 percent of a natural resource or source of material for a major industry in the country is Government owned, that it certainly is very difficult to argue that in a private enterprise society that we should expand that to 75 percent of the ownership.

I think the advantages of private ownership are manifold. The private ownership of this timber over a period of years, we believe, would permit a payment of taxes to the local unit over a long period of time. It would provide stability of these mills, that you could get in no other way. In other words, you would tend to make long-term operators to the extent that they had a stake in timber and a basic resource as well as just a mill. If they don't have that stake, there is a constant tendency to plan for the short term and the short term means a boom and bust, and a short terms means less man-hours of labor per thousand. It would mean less use of the timber resource, and I think private management, if given a stake in the timber, in small, medium, and large companies, is a highly desirable thing.

I haven't begun to answer; I am not eloquent, but I certainly—we would be willing to submit a brief on what the advantages of private enterprise are if that would contribute materially to the discussion. I am just a confused orator.

Senator NEUBERGER. I think the advantages of private enterprises are quite evident. However, what you have proposed is not what I would call 100 percent private enterprise, or maybe even 50 percent private enterprise. What you have proposed is that there be private acquisition of the timber, but that the United States Treasury subsidize the difference to the Indians between what that timber would bring on a liquidation basis and what it would bring if held over a long period of sustained yield. Now, what you have proposed is that the Federal Government subsidize out of the Treasury sustained-yield operation on private land. Now I would not say that that is a 100 percent private enterprise.

You have made a very intriguing proposal here today, Mr. Weyerhaeuser, and presented it very eloquently, but you have not proposed what I would call 100 percent private enterprise. There are private holdings all over the Northwest where cutting is going on that is not sustained yield on beautiful, scenic stands of fir and pine that stand at the headwaters of rivers, where wildlife and big game and waterfowl have their habitat, and a case could be made, I'm sure, for the Federal Government to subsidize that on sustained yield so there wouldn't be cut out and get out and boom and bust. And what you have proposed, if I am not mistaken, and if I am mistaken please set the record clear, what you have proposed is that funds be taken from the Treasury to subsidize or reimburse the Indians so that this cutting can be carried on by private enterprise on a sustained-yield basis rather than on a liquidation basis. Is that right or wrong?

Mr. WEYERHAEUSER. I think right away your original statement is highly inaccurate. We are not suggesting at all that the Government subsidize sustained yield. The sustained-yield value of that timber would be placed by competitive bidding. There is no element of subsidy to the timber owner in that, whether it be to the Government——

Senator NEUBERGER. I said to the Indians.

Mr. WEYEHAEUSER. Originally you said subsidizing sustained-yield operation of timber owners. That was your original statement.

Senator NEUBERGER. My original statement is this: That we pay to the Indians a subsidy so that the timber operator who buys the Indian lands will operate on a sustained-yield basis rather than on a liquidation basis.

Mr. WEYERHAEUSER. Of course, I say again, I believe that in the analysis of the values which we have been discussing previously, that the sustained-yield value of the timber is very close to the true value even on a liquidation basis, because of the size of the bloc. There are discount factors in both cases, and I believe that the discount factors of marketing without any restriction in excess of 4 billion feet of timber is going to bring a value down very much under what anybody has talked about to date, whether the Federal Government looks at it from an operating point of view, and we cited figures in here which demonstrated that paying a hundred million dollars with 4-percent money, which the Government would do today, would not even cover the interest on a sustained-yield basis. So it is perfectly obvious that the sustained-yield value of that timber is nowhere near a hundred million dollars, to me.

Now, that is just the gist of our argument. Now, when you begin to use the word "subsidy," I say no, that isn't our suggestion in any way, manner, shape, or form. We are talking about the value of this timber on an operating basis, whether it be the Federal Government operating it, whether it be private enterprise operating it, or a combination of both. We say the value is somewhat around in excess of 50 percent discount, of the current retail market value, and we are willing to submit information to a private forestry agency to develop the blockage sales, develop that information.

Senator NEUBERGER. I would like to ask Mr. Wilcox a question right at this point. Mr. Wilcox, did it sound to you, by the proposal as outlined by Mr. Weyerhaeuser, that the Indians would receive under the proposal something very close to the value foreseen in the Management Specialists' appraisal and analysis?

Mr. WILCOX. That is difficult to say, Mr. Chairman. Let's put it this way: The proposal that the Weyerhaeuser Timber Co. have made, or their suggestion that they would be willing to take our appraisal information, our cruise data, and lumber-recovery values and obtain some private consulting firm to then proceed and obtain an appraised value would be duplicating the exact thing that we are doing. We would have an opinion from another consulting forestry outfit and would have what would wind up as two professional opinions. That is what we are getting now from the private appraisers. If there is anything that would tie this law up further, that would do it.

Mr. WOLF. Only if the appraisal was different, Mr. Wilcox.

Mr. WILCOX. I have discussed enough with our present appraisers to know that their views as to what the reduction in value would be are considerably different than the 50 percent given by Mr. Weyerhaeuser. They have taken into consideration more than the lumber capacity of Klamath, Lake, and Deschutes Counties. When the values of logs go down enough, they will be shipped out to Redding. We have already had some shipped to Redding. They will be shipped to Medford, where the installed capacity, I think, runs around 600 million board-feet. The appraisers have used those facts to weigh their opinions toward a little higher return on a liquidation-sale basis.

Senator NEUBERGER. Thank you, Mr. Wilcox.

Mr. WOLF. It seemed to me that, first, your statement recognized that Public Law 587 had one basic defect in that it appears to force liquidation in, roughly, an 18-month period, which you consider unrealistic.

Mr. WEYERHAEUSER. That is correct.

Mr. WOLF. Now, you feel that there would be widespread effect on the western pine region if this timber were just forced on the market as the present law contemplates?

Mr. WEYERHAEUSER. I don't think there is any question about it.

Mr. WOLF. And you would feel the effect in Klamath Falls more than anyone else?

Mr. WEYERHAEUSER. You mean our company?

Mr. WOLF. I am speaking of the community, not your company alone.

Mr. WEYERHAEUSER. There is absolutely no question about that, either. And I would like to add to that; I am pretty sure that the Federal Government would feel that effect rather drastically in their receipts on Federal timber and Bureau timber.

Senator NEUBERGER. No doubt about it.

Mr. WEYERHAEUSER. I would like to get back to that word "subsidy" again. Whether or not you recognize it, that is then in the form of reduced receipts to Federal timber; you are, in effect, subsidizing this operation, also. Now, whether you want to call it that or not, again I object to that term, and certainly when applied to the private operators' part in this thing. The only element in it, if there is a question of differentiation in value between a well-planned liquidation and a sustained-yield restriction, the only obligation we see in there is we think it to be smaller than is certainly contemplated in anything we have seen to date, and, if there is a discrepancy there, we feel that that is a matter of the Government's obligation as guardian to the Indians, and, if you want to call that a subsidy, that is all right.

I think the Government's obligation to the Indians is a matter of public interest. I think that everybody is agreed that there is a trusteeship there that they have to discharge. Now, to take that and turn that to the proposition that that payment, in effect, is a subsidy for private operators on sustained yield, in our position, I think is a very grievous injustice.

Senator NEUBERGER. Mr. Weyerhaeuser, let me just say this to you: I share with you the feeling we have this primary and paramount obligation to the Indians, which goes back to treaty obligations of the United States Government. But you said on page 9:

> Furthermore, we note that doubts have been expressed about the willingness of Congress to appropriate the money necessary to pay the Indians the full liquidation value of their property.

I agree with you completely about that. I think I have expressed some of the doubts, and I have been very candid about the difficulties of, let's say, inducing my colleagues in the Senate and the House and the President to appropriate $100 million or $113 million to buy the assets of the Klamath Reservation.

But what you are suggesting is this: That they should be induced to put up a lesser sum, which would go to the Indians to compensate

them for the difference between the liquidation price, or the sustained-yield price, however you want to phrase it. Under the proposal, which you have said there are doubts about, the Government would put up a substantial sum of money and would get this very valuable timber. Under your own suggestion, the Government would put up a lesser sum of money but which, nonetheless, might be considerable, and Congress would have to appropriate it over a continuing period of years, just to give to the Indians as the difference between the liquidation price and the sustained-yield price in order that private operators would practice sustained yield, which, otherwise, they would not, and the Government would get nothing at all for it. Do you mean that there might not be doubts about inducing Congress to do that?

Mr. WEYERHAEUSER. Let me put it this way, Senator: I don't believe that there is any difference in the two situations whatsoever, insofar as the amount of money that the Government is obligating. If the Government pays $1 over the sustained-yield value of that timber in assuming it under Federal, under any Federal control, and they are purchasing it, they are, in effect, making that subsidy by paying anything over the sustained-yield production of that land. If they pay a hundred million dollars, I say again, just take a figure, at 4 percent, they are going to take a terrific beating on the property.

Now, they have, in effect, then assumed this loss already, and they will recover part of it, the difference, over a period of years as they liquidate the timber. They are still left with that subsidy value. What I am saying is that, under that condition, the worth of this timber as a property is the same to the Federal Government as it is to anybody else who operates it under the same restriction. Therefore, permit the private operator to make his own judgment and bid on this timber. Maybe he doesn't want it. Then, in our proposition, the Federal Government will assume it, but yours is quite a different proposition.

Yours is to, say, take the whole thing and let the Government assume this obligation. They are assuming the subsidy; they are assuming the proprietorship. I am saying let the private operator have a chance to assume the proprietorship and pay that portion of it that the timber will operate under sustained yield. I don't know whether I have made that clear.

Senator NEUBERGER. And the Government would pay the difference to the Indians, under your proposal.

Mr. WEYERHAEUSER. The Government would pay any obligation they have to the Indians as guardians and trustees which resulted from this operation; that is correct.

Senator NEUBERGER. But there is also this further difference. Under the proposal of S. 2047, the United States Government would acquire what in effect would be another national forest. I don't doubt for 1 minute, and I would never present it to my colleagues in any other way, I do not doubt for 1 minute that the Government would pay more to the Indians than they would receive from the sale of the timber. But, by paying that higher price than the timber is worth, the Government also would acquire what in effect would be a national forest, and under S. 2047 it would be administered by the Forest Service as a national forest under which the Government would have sustained yield, as you say there would be under private

ownership, under which there would be all the additional values to to the public which the Government reaps of a national forest, of recreation, of watershed management, of protection of the rivers that rise in that area, of wildlife and waterfowl, and fisheries and big-game protection, and so on.

But under your proposal the Government would pay something to the Indians and would receive absolutely nothing tangible for Government management or in the way of Government property in return.

Mr. WEYERHAEUSER. May I say that I think in discharging an obligation they can't expect to buy something by discharging that obligation, and I further say that I disagree with your premise that the Government has acquired an asset in the public interest that the private owner cannot provide and does not provide under a sustained-yield program. Under sustained-yield management the watershed values are protected. Under sustained-yield management the wildlife resources are protected. As we pointed out here, public use is practiced by private forestry on sustained-yield basis. I say that we aren't depriving the country; I say that we aren't depriving the Government, the area, one thing.

If this timber is put up on a sustained-yield basis with restrictions on a sustained-yield basis, that all those values can be retained under a private ownership to every degree as well as under Federal ownership. I don't think Federal ownership, and I guess that is the basic question, in itself provides any values that can't be provided by private enterprise.

Senator NEUBERGER. Do you think, Mr. Weyerhaeuser, that privately held timberland in the Northwest that is cut on a sustained-yield basis offers the same recreational opportunities, offers the same watershed control and other collateral benefits to the general public that are provided by the national forests?

Mr. WEYERHAEUSER. Let me put it this way: I believe if you examined that proposition with respect to the land now in question, that the Weyerhaeuser Timber Co.'s lands at Klamath Falls have provided those values to every bit the degree that the Indian lands have. In fact, to a much greater degree. If you want to expand it——

Senator NEUBERGER. Do you contemplate that the Weyerhaeuser Timber Co. will buy all these lands?

Mr. WEYERHAEUSER. No, I don't. I am taking them as an illustration of private enterprise under a sustained-yield management, which we are talking about in imposing that restriction on the disposition of these lands. If you impose that restriction I think you automatically get a great many of these values which you talk about, and I say that the other values we are providing as a company, and I can't speak for the industry, although I do know that the major operators are providing these facilities currently, and I think that if you were to examine the record you would find that the greater proportion of hunters and fishermen in the Pacific Northwest are taking their kills and catches off of private ownership.

Senator NEUBERGER. Are there any more questions?

Mr. WOLF. Yes, I did have some. I will use this $113 million figure because that is the one I saw in the paper. As I understood your statement, you have called to our attention that this value is the incorrect one to be bandied around in public; it doesn't exist; it is not real.

That is your basic proposition?

Mr. WEYERHAEUSER. That is exactly correct.

Mr. WOLF. That you could never hope to realize that under any conditions under a short-term liquidation or even a long-term liquidation?

Mr. WEYERHAEUSER. Now let me correct that by saying this: I believe it might be possible to receive over the 60-year period or 50-year period that amount of money, but when you talk about that amount of money today, I think that is why we get into—that people don't understand, and that is what I am trying to emphasize. There is a great deal of difference of a future payment worth today.

Mr. WOLF. I think, Senator, that that is an important point and one that has often been overlooked, that this $113 million figure is a book value and it isn't something that can be realized.

Senator NEUBERGER. And yet you heard a spokesman for one group of Indians say at Klamath Falls day before yesterday that that figure seemed too low and that he knew of companies, unnamed, I grant, that would pay more. Is that correct or incorrect?

Mr. WOLF. Yes, that is correct, but just because somebody says it doesn't make it true.

Senator NEUBERGER. I am just saying, though, that we cannot go about this without regarding the wishes and the views of the Indians in this matter. We would be certainly very arrogant and presumptuous if we did so.

Mr. WEYERHAEUSER. Have you ever heard of a seller who thought the price was too high, however?

Senator NEUBERGER. It is a little bit different here, Mr. Weyerhaeuser. We are dealing with tribal ancestral home of the Modoc Nation, which is about all that these people have in the world. We are not just dealing with some commercial timber operators buying or selling another holding. This is a little bit different situation.

Mr. WEYERHAEUSER. I think we recognize that, Senator.

Mr. WOLF. Mr. Weyerhaeuser, do you believe that the necessity of requiring a sustained-yield covenant in private operations indicates that there is a general advantage to the business community and the public because private lands presently don't have any sustained-yield covenant in them?

Mr. WEYERHAEUSER. Would you rephrase that? I got you half way but I lost the last half.

Mr. WOLF. You are going to require a sustained-yield covenant.

Mr. WEYERHAEUSER. Yes.

Mr. WOLF. Under your proposal. There is no requirement of sustained yield on other private land in the Northwest that I am aware of.

Mr. WEYERHAEUSER. That is correct, I think.

Mr. WOLF. Now, is a lack of that provision one of the advantages of private ownership? They are perfectly free to do what they want. They can liquidate or not liquidate as they see fit, but the person who buys this property is going to have to operate like the Government. He is going to have to be on sustained yield.

Mr. WEYERHAEUSER. That is correct, and I think there are advantages, manifold advantages, in sustained-yield operation.

Mr. WOLF. But many other private owners apparently don't agree.

Mr. WEYERHAEUSER. I believe that is correct. It is our position that there are many, many advantages and that they are worth the step that we suggest, although the step itself to us is not consistent with any position we would take otherwise. In other words, we take it reluctantly, but we believe that there is no alternative solution to getting this problem solved without imposing that restriction.

Mr. WOLF. So that the purchaser of this tract or the purchasers would become more like public owners than private owners and we would have an element of public ownership involved here, at least one that has been generally consistent with public ownership.

Mr. WEYERHAEUSER. Well, it has been no more consistent with public ownership than with our company, for instance. I will certainly—the public ownership has consistently been managed in that respect, I will agree, and I think that if you travel the course of private ownership, it has been moving in that direction with a greatly accelerated rate, and I think that that is certainly what we feel to be the ultimate operation of the Northwest economy. Whether this situation would justify the extension of this principle to all private land, we say no, but we recognize in saying that that there is a great advantage to the public and we feel to the operators, as far as that is concerned, or we wouldn't be doing it ourselves, in operating under sustained yield.

Mr. WOLF. Do you feel that one of the advantages of private ownership is the taxes which the local government receives?

Mr. WEYERHAEUSER. Yes, I certainly do.

Mr. WOLF. Do you believe that the private owners pay more taxes on their land and timber, land and standing timber, than do the public agencies which are cutting the full sustained yield cut from their lands?

Mr. WEYERHAEUSER. I don't think the in-lieu payments certainly could be demonstrated to be substantially less than the private contributions to the local taxes.

Senator NEUBERGER. You mean the in-lieu payments would be equal to the taxes?

Mr. WEYERHAEUSER. I think they might be equal. I really shouldn't comment because I am not really qualified to comment on that. I did read the newspaper article this morning, which was my first——

Mr. WOLF. We do have some figures, Senator, which indicate that at the tax rates in Klamath County, which are $2 a thousand for virgin pine and 90 cents a thousand for cutover and 40 cents per thousand for white fir and 35 cents for lodgepole and a dollar fifty an acre for pulpwood lodgepole pine, and 60 cents an acre for land; that in private ownership the portion of the reservation—I am only using the figure exclusive of a proposed management area that the Management Specialists have tentatively set up—that in private ownership this land would put $243,800 in the local treasury, whereas under the national forest formula, which pays 25 percent of annual revenues, the local county would get about $660,000 until 1964 and about $450,000 thereafter.

Senator NEUBERGER. Is that based on 80 million board-feet?

Mr. WOLF. That is based on an allowable cut of 65 million to 1964 and 54 million thereafter and timber values selling at $40 during the first period and $33 thereafter.

Mr. WEYERHAEUSER. I can't quarrel with those figures at all. They are possibly very accurate. I would like to make this one comment: When you cut up an apple there are just so many pieces, and if the Federal Government pays the operating price for this timber and then pays back to the local entities a higher proportion than the private operator would, in fact then you are talking about a Federal subsidy again. That reduces the value of the timber to the Federal Government, is my point, by whatever excess they are paying back to the local. You can't make any more out of the timber value than there is there, no matter who operates it, Government or private or anybody else.

Now, as to the basin, quite possibly they would receive, certainly under your figures, and I am not prepared to quarrel with them, a greater return than under private taxes. But by the same token the Government is underwriting that and that we would disagree with.

Mr. WOLF. Would we both agree that in the case of national forests generally, which came out of the public domain for the most part, that the amount the Federal Government chooses to pay the local counties doesn't constitute a subsidy?

Mr. WEYERHAEUSER. I am frankly—I don't know whether that amount would be in effect greater than the land would pay otherwise or not, and that is the determination.

Mr. WOLF. You mean the counties had no assurance that 25 percent would be 25 percent of nothing when the national forests were created?

Mr. WEYERHAEUSER. Well, I feel this way: I think that certainly the counties are entitled to the average return from all land in the area. Now, whether the Government paid them zero, paid them the same amount that they would ordinarily pay under private ownership, I am not equipped to answer, but I say if they pay more it is in the form of a subsidy. If they pay less, they are getting short shifted.

Senator NEUBERGER. I think it is of some significance that the Management Specialists, who come from the business community of Klamath and Lake Counties, the Klamath County Chamber of Commerce and other business and similar local civic groups in Klamath County have all endorsed in principle S. 2047. I refuse to believe that they would do so if they felt the local treasury would suffer as a result.

Mr. WEYERHAEUSER. My point is that under those figures certainly the local treasury would not suffer. They would benefit materially. But that benefit would come out of the Federal Treasury by depressing the value in a relative proportion to what the private owner would be able to pay for it. So presumably the private owner would be able to bid more for that timber than the Federal Government would. That is my only point.

Senator NEUBERGER. We are not quarreling about whether it will be a subsidy under both situations. What we seem to come down to is whether the Federal Government would pay a substantial subsidy and Klamath County treasury will benefit substantially and the Federal Government will acquire in effect another national forest, or whether the Federal Government will pay a smaller subsidy and the Klamath County treasury will get less and the Federal Government will have absolutely nothing in property or subsistence to show for the smaller subsidy.

Mr. WEYERHAEUSER. Well, I guess I am wearing my hat as a resident of the East when I make the statement then that if I were approached with that proposition I would certainly choose our alternate. Now, if I were a man who lived in Klamath Falls, I might be very much tempted to choose the opposite.

Mr. WOLF. I just had one other question. If your proposal were not adopted, and if S. 2047 were not adopted, you would still want to see the Klamath termination act extended so that liquidation wasn't forced over this 18-month period?

Mr. WEYERHAEUSER. Yes. I believe that we feel that the short-term liquidation is by all order the poorest solution and the shorter the term the poorer the solution.

Senator NEUBERGER. We are all agreed that something has to be done about the liquidation period provided for in the existing law. I don't think there is any question about that in our minds. Is that true, Mr. Weyerhaeuser?

Mr. WEYERHAEUSER. That is certainly our position.

Mr. WOLF. Would you support Federal acquisition in lieu of the liquidation if your proposal were not adopted?

Mr. WEYERHAEUSER. I can only answer that by saying that we are, and in our whole presentation I hope I have given the impression that we are fully behind sustained yield no matter how it may be achieved. We are fully behind private particpation and operation of timberland and timber, and we believe that we have presented an alternate that will provide for that vehicle. If under this proposal private owners fail to raise the capital, pay the bid price, we have provided a vehicle for the, we think, suggestion as to how the land will pass into Federal ownership. We believe that is the first approach. Failing that, you are asking us to choose between two premises which we disagree with and I can't answer that question.

Mr. WOLF. But suppose Senator Neuberger gets a bill before the committee based on your proposition and the other members of the committee refuse to go along with him and say this Federal purchase is the answer?

Mr. WEYERHAEUSER. You are asking me then for our second alternate proposal, which I haven't presented in detail. I am not prepared to say at this moment. We think that this is a reasonable proposal and we hope that the Senate and others will view it as such and work for its adoption.

Senator NEUBERGER. I just want to say this before Mr. Weyerhaeuser leaves the stand. We certainly appreciate your coming here today. You have presented a most thoughtful and challenging proposal and I am sure it is going to receive a great deal of discussion and consideration.

I wish to announce this for the record, that before we conclude this afternoon, if they wish to do so, I am going to ask Mr. Boyd Jackson and Mr. Wade Crawford to take 10 minutes each at the conclusion of our hearing this afternoon, representing different groups of Indians on the Klamath Reservation, to comment very briefly on their opinion of the proposal which Mr. Weyerhaeuser has submitted.

Mr. Weyerhaeuser, we thank you very much for coming. We thank you, Mr. Orr, for being with him, and we do appreciate your being with us today.

(At this point the chairman directed that the following letter and chart be made a part of the record:)

WEYERHAEUSER TIMBER CO.,
Tacoma, Wash., October 21, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Thank you for your letter of October 16. We appreciated the the opportunity to present our views to your subcommittee. We are attaching, with the request that it be made part of our statement, a chart showing the present value of money to be received in the future. This chart demonstrates more graphically than words the reason why timber to be cut over a period of years is worth less than timber to be cut immediately.

At the conclusion of the hearing in Portland, it was unclear to me whether you expected us to respond to a question you asked me at the conclusion of my testimony. To clarify my understanding of your inquiry it will be helpful to recall its context.

In our principal statement we pointed out that there are three values for the Klamath timber—retail value, wholesale value, and liquidation value. The retail value is the aggregate amount that the Indians might receive if they sold the timber in small quantities over a 20- or 30-year period, thus avoiding a situation of oversupply and a resulting depression of prices. The wholesale value is the aggregate price that might be received if the 4 plus billion feet of timber were offered for sale in the brief period of 1 or 2 years, or even 4 or 5 years. Industry experience indicates a discount of around 50 percent. Sustained-yield value is the amount that would be realized if purchasers were required to practice sustained-yield forestry. This value would be somewhat less than the liquidation value because of the longer period over which the timber must be held.

We suggested that the Government should impose sustained-yield cutting requirements on the tribal property and that it compensate the Indians for the reduction in value caused by such restriction. This would be the difference between sustained-yield value and liquidation value.

You asked for my opinion as to the amount of money the Government would have to pay the Indians under our proposal. Since I had already mentioned the wholesale value discount, I interpret your inquiry as asking for our opinion regarding the sustained-yield value of the timber. Accordingly, I replied that a detailed analysis of the data regarding timber volumes, species, growth rates, and site classifications would be necessary. According to Mr. Wilcox' statement, most or all of this information will be contained in the appraisal. It was then suggested that, upon release of the appraisal, we advise you of our opinion about sustained-yield value.

We do not think it is appropriate for us to furnish such an opinion to you. We are a prospective purchaser of the Indian timber. Consequently, any opinion expressed by us would be given little weight. We understand that the appraisal will include a sustained-yield value. I suggested that perhaps we could have some independent forestry consultant review the appraisal data and come up with a figure. As Mr. Wilcox pointed out, this would involve the balancing of one expert opinion against another expert opinion—and in a field where reasonable men can disagree.

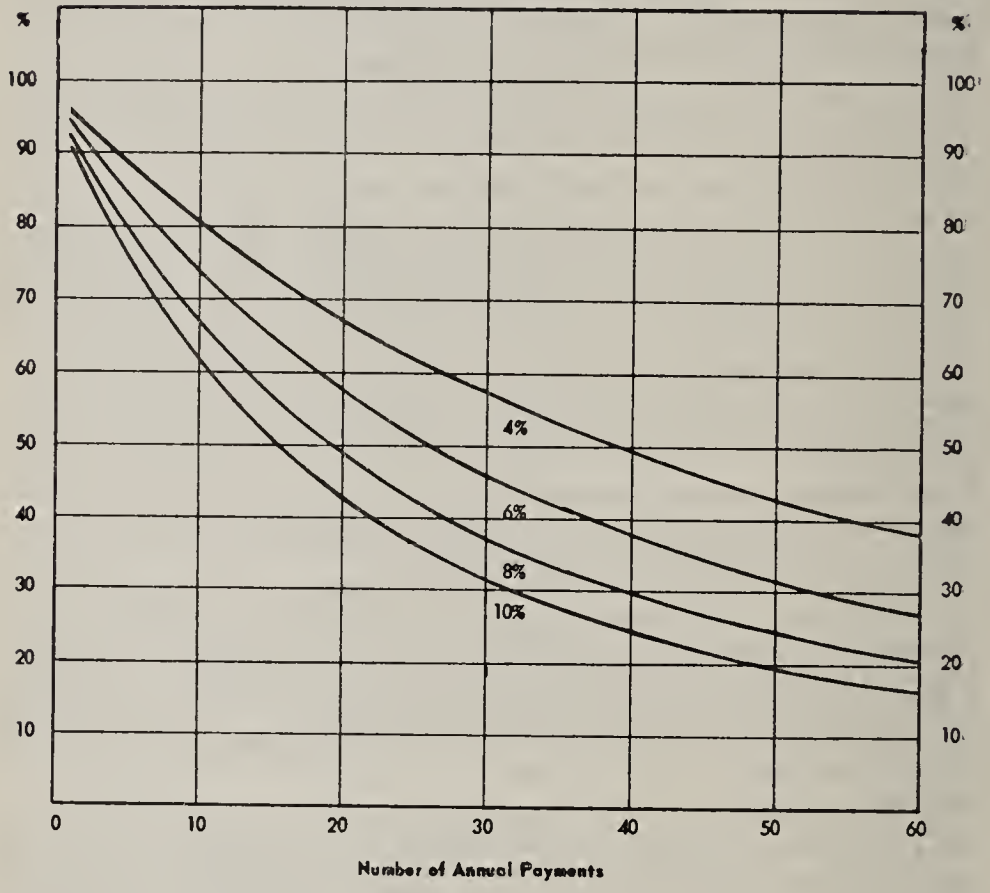
As a check on the appraisers' estimate of value, we feel sure that the Forest Service could give you its estimate of what it could afford to pay for this property as an investment. With annual gross revenues of less than $3 million, and with expenses for timber management of 20 percent of gross revenues, and in lieu taxes of 25 percent of gross revenues, the Forest Service will certainly not be able to justify any greater payment than private industry could afford to pay. Consequently, we think their opinion would provide a realistic check on the methods of the appraisers.

Very truly yours,

GEORGE H. WEYERHAEUSER,
Assistant to Executive Vice President.

The following chart and table illustrate the relationship of the present value of a stand of timber to be sold in equal amounts over varying periods of years to the aggregate price received for such timber.

PRESENT VALUE OF LEVEL ANNUAL PAYMENTS RELATED TO TOTAL PAYMENTS AT VARIOUS INTEREST RATES



PRESENT VALUE OF LEVEL ANNUAL PAYMENTS RELATED TO TOTAL PAYMENTS AT VARIOUS INTEREST RATES

Interest Rate	Number of Annual Payments					
	10	20	30	40	50	60
4%	81%	68%	58%	49%	43%	38%
6	74	57	46	38	32	27
8	67	49	38	30	24	21
10	61	43	31	24	20	17

Senator NEUBERGER. For the information of everybody here, we will follow the schedule which we followed in Klamath Falls. We will go until approximately 12:30 this morning, and take a recess then until 2 o'clock.

The next witness will be the Honorable Lyle F. Watts, former Chief of the United States Forest Service, who is now a resident of Portland. Mr. Watts, we are very grateful that you have taken the time to come here today and give us your views.

STATEMENT OF LYLE F. WATTS, FORMER CHIEF OF THE UNITED STATES FOREST SERVICE

Mr. WATTS. Mr. Chairman, my name is Lyle F. Watts. I live at 1426 Northeast Thompson Street, Portland, Oreg. My entire active career was spent in public forestry work, 38 years with the United States Forest Service. I retired from the Forest Service on June 30, 1952. I represent only myself in making this statement.

My statement has to do only with the disposal of the tribal lands owned by the Klamath Indian Tribe. I have been on the reservation several times since 1939, when I first came to Portland. Some 3 years ago, I reviewed the management plan then in effect for the area. The statistics I will use are largely from that review.

The area of tribal lands exceeds 813,000 acres. Of this more than 700,000 acres are commercial timberlands. About 70,000 acres are marshlands. The balance is farm, grazing, and noncommercial timberland. It is assumed that the bulk of these lands will be disposed of on request of the Indians for their share of the tribal assets in cash as provided in Public Law 587.

The estimated volume of timber 12 inches in diameter breast high and larger exceeds 4 billion board-feet. Of this about 1¼ billion is in virgin timber. More than 2¾ billion is in thrifty trees left to grow after selective logging on areas cut over in timber sales to date. About 4¼ billion board-feet has been sold and removed since 1913. The allowable annual cut during the present decade slightly exceeds 80 million board-feet per year.

The large increase in timber values during the past 15 years, the very great improvement in utilization, and the present market for pulpwood should increase the estimated salable volume and the allowable annual cut materially.

First, with regard to the marshland. Some 17,000 acres of this is under water year long and provides an important nesting area for waterfowl. The balance of the marsh—53,000 acres—is heavily used as a resting and feeding area for geese during migration. The entire marsh is of great value to the Pacific flyway. During the summer much of the marsh is suitable for grazing by cattle. Strictly controlled, such use by cattle is compatible with use by waterfowl. It is wholly unlikely that such strict control would be maintained if the marshlands were in private ownership. The entire 70,000 acres should be in Federal ownership as a waterfowl refuge. Use by cattle under permit could be permitted. If mutually desirable to the Fish and Wildlife Service and to the State game department, actual administration by the State could be contracted for.

Now, as to the timberland in question. The welfare of the Klamath Basin and of the Nation requires that these lands continue to be managed under sustained yield.

No plan of disposal should be adopted which would permit quick liquidation or destructive cutting of this timber. Under Oregon law, short-term operators could cut all merchantable trees, except 4 trees, 12 inches in diameter, breast high, per acre which must be left for seed. Thus not only the virgin timber area but also the selectively cut area could be just about ruined, practically clear cut.

The area should be under multiple-use management whereby timber, grazing, big game, and recreation uses would be coordinated. Watershed values are high and should be fully protected. Several proposals for disposal have been proposed. I want to comment briefly on some of them.

(1) Acquisition and operation by some form of tribal corporation: I believe this type of disposal is under consideration for the Menominee lands in Wisconsin. As a minimum, Congress should specify that sustained-yield management will be strictly enforced. Frankly, I see little to recommend this outcome. The pressure from members of the tribe to overcut to get more money annually would be very heavy. The likelihood of a fully competent board of control would be small. A high percentage of the tribal members would insist on receiving cash for their share rather than accept stock in a corporation. Just how a tribal corporation would raise the cash to pay for this is problematical.

(2) Sale to private timber operators: If sustained-yield management is desired for these lands, they would have to be sold in very large blocks. The fact that more than half the area has already been selectively logged over and that growth per acre in ponderosa pine is very low complicates this proposal. Small sawmill operators do not have the finances to purchase sufficient area to operate on sustained yield.

In addition, I can conceive of no practical stipulation in the deed to insure proper permanent management on sustained yield.

Let me say right here that sustained yield means many things to many people. You would have to be specific in the law you would draft to cover that. I have had some little experience with regard to public regulation of cutting on private land, and I am sure there are some timber people who might smile about that, and I want to say that intriguing as was Mr. Weyerhaeuser's proposal, it goes far beyond the Pierce bill, Mr. Senator.

The Pierce bill did not require sustained yield cutting at all. All that it required was good silviculture on the private land cut over. Under the Pierce bill, if it were in effect, you could have cut all of the Klamath Falls Reservation in 10 years, if you wished, provided you followed good silvicultural practice. That is all the Pierce bill required.

One of the difficult things under sale to private ownership with a sustained yield qualification is that it would just simply squeeze out the small operators.

(3) Buying this land from the reservation: Sale to the State of Oregon is another proposal that has been made. It has much in its favor. The State has a very real interest in keeping this land under

good timber management and on sustained yield. One possibility, of course, would be for the State to vote a bond issue of sufficient size to acquire this property at its fair appraised value. It could then be managed as a State forest. It is possible that the bonds could be retired over a long period of years from the sale of timber products. This is complicated by the fact that funds for administration and protection, and for contribution to the county in lieu of taxes would first have to be set aside from receipts. Frankly, I see little likelihood that the people of Oregon will approve a bond issue of sufficient size to acquire this property.

(4) Federal acquisition for national-forest purposes: As has been said, it is the Federal Government that has raised the issue of disposal of this property. Traditionally, the Federal Government has assumed responsibility for the American Indian. It would seem that primary responsibility for the future management of the property rests with the Federal Government. Federal acquisition and management would seem to be the proper answer to the problem.

This method would insure permanent sustained yield management. Maximum flexibility of management could be had in conjunction with the three national forests adjoining the area, Fremont, Deschutes, and Rogue River. It may well be that the lands could be added to the three existing national forests, thus reducing the cost of administration. It would insure multiple-use management whereby timber, grazing, wildlife, recreation, and water uses could all be developed under a coordinate system. It would protect the small mills in the area in their right to compete for timber.

No doubt the question of taxes from Federal lands will be raised. Actually, I inquired and I was told these tribal lands do not and have not made a payment to the county in lieu of taxes. So far as I know, they now make no specific payment for that purpose. Under national-forest ownership, 25 percent of the gross receipts are paid to the counties in lieu of taxes. I doubt that private timberland in Klamath County pays as high a property tax as that.

Briefly then, it seems to me that the logical answer to the problem is rather clear. It is the responsibility of the Federal Government to solve this problem and I strongly urge that the timberlands in question be acquired by the Federal Government for national-forest purposes, substantially as proposed in Senator Neuberger's bill, S. 2047, now before the committee.

If you have any questions I will be glad to try to answer them.

Senator NEUBERGER. Thank you so much, Mr. Watts, for coming here today and giving us the benefit of your long experience. Do you have any questions, Mr. Wolf, that you would like to ask Mr. Watts?

Mr. WOLF. Yes, I had one. You spoke of the problem of administering a sustained-yield covenant if this proposal advanced by Mr. Weyerhaeuser were adopted. You are familiar with the Simpson Cooperative agreement?

Mr. WATTS. Yes, sir.

Mr. WOLF. You were in the Forest Service when that was negotiated?

Mr. WATTS. Yes. I was in the Forest Service when the bill passed.

Mr. WOLF. To what extent does that agreement effectively provide for sustained yield and what sort of sustained yield on private land?

Mr. WATTS. It provides for sustained yield on both private and public land managed cooperatively. The type of sustained-yield management, as I recall it—you understand I have been out of the Government for 6 years; it is defined simply as the type of management in effect on the national forest at any given time as they work it over and that makes a rather simple proposal.

Mr. WOLF. In other words, if the Simpson lands were primarily cutover lands, they would have nothing to do but——

Mr. WATTS. Hold them.

Mr. WOLF. Hold them the same as you would hold cutover land?

Mr. WATTS. That is correct.

Mr. WOLF. And in the cutting of the timber on their land from the old-growth stands they would cut them as you cut yours?

Mr. WATTS. I believe that is what the law provided.

Senator NEUBERGER. Mr. Watts, I was particularly interested to hear your comment briefly on Mr. Weyerhaeuser's proposal, because, of course, you only just heard it as the chairman and the staff only just heard it. But am I to gather this from you: In your experience as former Chief of the Forest Service who made his career in forestry with the Government, do you know of any instance now where there is a requirement by Government that sustained yield be practiced on private forest lands?

Mr. WATTS. No, I do not, and I am inclined to believe that it would be extremely difficult to write into a—to write a reservation in the deed for the property. To me I think it might be quite impossible. That is why we did not include sustained yield in the Pierce bill.

Senator NEUBERGER. And even the Pierce bill with its far lesser restrictions on the private land, if I am not mistaken, failed to pass the Congress or even to reach a vote on the floor of either House.

Mr. WATTS. That is right.

Senator NEUBERGER. And yet the restrictions, and I am glad you have clarified this because I had mentioned the Pierce bill earlier, yet the restrictions proposed in the Pierce bill fell far short of requiring sustained-yield cutting on private timberland.

Mr. WATTS. No mention was made of sustained yield. It had solely to do with the type of silviculture you were practicing on the land. Theoretically you could cut it over in 1 year provided you practiced good silviculture under the Pierce bill.

Senator NEUBERGER. In other words, it did not go as far as this proposal that was made by Mr. Weyerhaeuser for control on private lands.

Mr. WATTS. Nowhere near as far.

Senator NEUBERGER. Mr. Wolf has another question.

Mr. WOLF. I would like to ask you one on values since that has been discussed. If we assume that the current value is the one reported in the newspapers, the retail value, the one arrived at by multiplying the timber volume by the current timber prices, do you believe that that price would be the true value of the property if sold on an orderly basis?

Mr. WATTS. Well, Mr. Wolf, the answer to your question, first, as I read the law now in effect, it seems to require that it be sold for its

liquidation value. The law reads that way to me. It is unthinkable that it would be, but if you require sustained-yield values, sustained-yield-operation value, it would be less than it would be under a liquidation program in my judgment.

Mr. WOLF. And would the value under a liquidation program without sustained yield be lower than the book value obtained by multiplying the current value times timber price?

Mr. WATTS. I think it probably would, Mr. Wolf. I am not an economist or an appraisal expert, as you know, but under any sort of a sale proposal, you have to put up enough timber to last the company, let's say, for 15 years or so before they could afford to build a mill to operate there. And, as a result, there would be some discounting of values for holding it 15 years. There would have to be. I am not an expert in the field, but that is just commonsense, isn't it?

Mr. WOLF. I agree with you.

Senator NEUBERGER. Mr. Watts, as you know, S. 2047 as presently written calls for the Indian lands after purchase by the Government to be added to the holdings of the United States Forest Service. Some criticism was voiced to this particular provision at Klamath Falls. A number of witnesses felt that the lands, if acquired by the Federal Government, should be administered by the Bureau of Land Management rather than by the Forest Service. Would you have any comment at all upon the relative merits of the two agencies with respect to administering this area?

Mr. WATTS. I have no wish to criticize the Bureau of Land Management at all. They are doing a good job. I think in this instance it would be much simpler to add it to the national forest. We already have the three national forests adjoining the area in effect. It ought to be simpler for the operator to deal with 1 Federal agency rather than with 2 down there in that country, and it would seem to me to be weighted very heavily in favor of national forest administration.

Senator NEUBERGER. I just want to say for the record, I share with you a very high opinion of the personnel and policies and program of the Bureau of Land Management. There are two reasons that the bill as drafted, and as the Legislative Counsel drafted it at our request, calls for the Forest Service: First, the question of contiguity, which you raised, because it would blend in with the Fremont, Rogue River, and the Deschutes National Forests in that area; and, second, I felt that the Forest Service had had longer experience and more personnel in collateral fields beyond merely timber management, such as watershed protection and wildlife and recreation and so on. For those reasons, the holdings were suggested to be managed by the Forest Service rather than the Bureau of Land Management.

Mr. WATTS. I am in complete agreement with you, but I ought to tell you that it might be obvious to most anybody that I might have just a little bias.

Senator NEUBERGER. Are there any other questions? Mr. Watts, thank you so much for coming today. We appreciate it.

The next witness will be Mr. William B. Morse, representing the Wildlife Management Institute. Mr. Morse is a resident of Portland. Mr. Morse, glad to have you here.

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STATEMENT OF WILLIAM B. MORSE, WESTERN FIELD REPRESENTATIVE OF THE WILDLIFE MANAGEMENT INSTITUTE

Mr. MORSE. Mr. Chairman, I am William B. Morse, western field representative of the Wildlife Management Institute, a national membership organization devoted to the best management of natural resources in the public interest. The institute is one of the oldest, nonprofit conservation organizations in this country.

We wish to thank you for this opportunity to again go on record on some important conservation aspects of the Klamath Termination Act. We first wish it understood that we firmly believe in the rights of the Klamath Indians. It is their land and if the reservation is terminated, we want the Klamath Indians to receive their just compensation. How this compensation is to be made or administered is beyond our scope of interest, and we leave that to others better qualified to make recommendations. Our concern is with the future of the lands and their renewable resources. We are especially interested in the marshlands of the reservation.

Klamath Marsh is one of the largest of last native deepwater marshes remaining in this country. It is an integral part of the important Klamath Basin waterfowl area. It is a major breeding ground for waterfowl and is important from that standpoint alone. However, its greatest value is as a feeding and resting area for waterfowl on the southern migration.

Visualize the Pacific waterfowl flyway as an hourglass. Birds come from vast areas to the north, and funnel into the Klamath Basin, the narrow portion of the hourglass. After leaving the Klamath Basin, waterfowl again fan out to their ancestral wintering grounds in the central valleys of California. Here they go, not to the large marshes of days gone by, but to a system of refuges and commercial ricefields where these marshes used to be.

Therein lies the importance of the Klamath Basin and Klamath Marsh. Ducks and rice are not compatible and ranchers spend large sums to chase or herd ducks from rice crops. This is effective if there is a place to which the ducks may be safely herded. Until the rice is about half harvested, there is no such place. It is imperative that food and space be provided to hold the birds north an extra 2 weeks, to allow the rice harvest to proceed. Only in this manner can losses to the farmer be made endurable, and the safety of birds in the Pacific flyway insured. Klamath Marsh is an integral part of this management method and we cannot lose 17,000 acres of good marsh, which will probably happen if Klamath passes to private ownership.

Klamath Marsh could be drained and converted to second-rate grazing land. Who can set a value of dollars and cents on this marsh? We know it would be much cheaper to purchase and maintain in its present state than to purchase suitable land elsewhere and develop it for waterfowl. Klamath Marsh is a logical part of the national wildlife refuge system and we believe it should become a part of that system. The important factor is, however, to have the marsh in public ownership when the reservation is terminated. Any method that will accomplish this aim will have the approval of the private conservation organizations of the country.

The management experts tell us that the present termination law will require timber to be sold in small tracts and tend to foster a cut-

and-get-out policy. Overcutting timber on these light pumice soils would be disastrous. Erosion and watershed damage would be serious and affect Klamath Marsh and the entire reservation lands. Public ownership seems to be the best answer both for the resource and the economy of the region.

Mr. Chairman, I recently looked at yellow pine logging practices in Arizona on the Aztec lands. Some of these lands, formerly in the national forest, have been completely cut over and slash left as it fell. The results are sickening to one interested in good land management. Other lands there have been cut heavily, but to Forest Service standards. We do not want cut-and-get-out logging on the Klamath Reservation. I have three pictures I would like to give you for the committee files on what yellow pine land looks like after a complete cut, a 60-percent cut, and a 35-percent cut. The subcommittee members can get some idea of how the Klamath lands could look when properly used and when misused.

I also have two pictures of Klamath Marsh I would like to give you for the benefit of those committee members who have had no chance to see the marsh.

We want to thank you for this opportunity to again express our views on the Klamath termination. We urge you to place Klamath Marsh under public ownership and see that the timberlands are safeguarded in much the same manner. Millions of conservationists throughout the country are interested. On their behalf, I wish to thank you for your courtesy.

Here are the pictures I mentioned. I know they can't be in the record, but I thought they would be of interest. The captions are on the backs.

Senator NEUBERGER. Thank you very much, Mr. Morse. The pictures will be listed as exhibits in the committee record, and I will ask Mr. Gamble if it is possible to reproduce them. If it is not, they will at least be cited in the hearing record.

(The five pictures are in the file of the Committee on Interior and Insular Affairs, and are captioned:)

1. *Aztec land.*—Sitgraves National Forest, Ariz. This land has been cut to leave only 17 percent of the timber but not to exceed 2,000 board feet per acre. Slash will be left lying. Photo W. B. Morse, September 16, 1957.
2. *Aztec land.*—Coconino National Forest, Ariz. This land has been given a 60 percent cut. Logging done by a private company, but trees marked for cutting by the Forest Service. Slash has been piled but not yet burned. Photo W. B. Morse, September 17, 1957.
3. *Forest Service land.*—Coconino National Forest. This land has received a 35 percent cut under Forest Service standards. Slash has been piled and burned. Photo W. B. Morse, September 17, 1957.
4. *Klamath Marsh.*—Looking to the northwest. Photo W. B. Morse, May 1956.
5. *Klamath Marsh.*—Looking north from railroad grade. Photo W. B. Morse, May 1956.

Senator NEUBERGER. We are trying to avoid some of the things that happened in the Aztec lands. We are familiar with the situation down there. I want to ask you several questions because you are an expert in the field of waterfowl protection and management.

You agree, don't you, with the provision of S. 2047 that would put the marsh under the Fish and Wildlife Service rather than under the Forest Service?

Mr. MORSE. That would be the logical place to put it. It could be done cooperatively. It would be simpler to place the whole land under the Forest Service, of course, but logically it should be under the Fish and Wildlife.

Senator NEUBERGER. And the Fish and Wildlife Service does have other responsibilities, not in that immediate area, but in the Malheur refuge and in some areas not too far from there, is that not correct?

Mr. MORSE. That is correct. They have substantial responsibilities in the Klamath Basin and could administer a refuge on Klamath Marsh as cheaply as any in the country by pooling equipment and personnel.

Senator NEUBERGER. Our subcommittee, with the legislative interim committee, visited the marsh yesterday, and, of course, we were extremely impressed with the magnificent sweep of swamp and feeding and breeding grounds for the ducks and geese that travel the flyway, and we saw some of the birds, even though this is not a particularly numerous season for them, on the marsh. But there was some controversy and discussion at our meeting in Klamath Falls about the question of shooting and how extensive it should be on the marsh, and there was a little bit of very friendly difference of opinion between some of the witnesses and the subcommittee chairman. I would just like to have you discuss that, if you could, from your experience in waterfowl management.

Mr. MORSE. What type of shooting did you have in mind, Senator?

Senator NEUBERGER. Did the witnesses have in mind, Mr. Morse? There was feeling on the part of some witnesses, and I want Mr. Wolf and Mr. Gamble to correct me on this if I am mistaken, there was a feeling on the part of some of the witnesses that when the marsh is acquired, or should the marsh be acquired by the Fish and Wildlife Service, that there should be a degree of shooting permitted. Several of the witnesses disagreed as to what extent, but several brought up the fact that there should be. Now, I would just like to ask you if you could inform us for the record of what you conceive to be advisable practice in that respect, and what is the tendency and what are regulations now with respect to refuges that are under the United States Fish and Wildlife Service regarding shooting.

Mr. MORSE. Well, I believe if Klamath Marsh became a portion of the Federal refuge system, control of any hunting would fall under the jurisdiction of the proper agency, the Fish and Wildlife Service. This shooting is handled on the various refuges now in a flexible manner. It varies from refuge to refuge. Many are completely closed, depending upon the supply of birds, both in the Nation and in the particular flyway at any given time, the extent of it. It is really a relatively new proposition. The permitted hunting has been allowed, I believe, just since World War II on some of the refuges, depending on how the land was acquired. There might be complications on hunting on land acquired with duck stamp money. That has been the case on some refuges, but it should be a flexible thing just like the allowable timber cut.

Senator NEUBERGER. Do you think any restrictions should be written in the bill or it should be left up purely to administrative practices of the Fish and Wildlife Service?

Mr. MORSE. I believe that the aims could be best accomplished by leaving it to administrative practices. Certainly they wouldn't allow

it to be overshot. I might point out that this marsh freezes rather early compared with many others throughout southeastern Oregon, and even at the best could provide limited hunting compared with the others.

Senator NEUBERGER. It has been my impression, and I myself am not a hunter, although I have been out with a lot of friends who do go hunting, it has been my impression that on no refuges at all do they allow shooting as the birds come in to land on a protected area, or to take off from a protected area after they have immediately been on the water or in the reeds. Now, I may be wrong about that, and we are going to try to get the exact regulations of the Fish and Wildlife Service in that respect. But if you have any thoughts at all as to how this specifically should be administered by the Fish and Wildlife Service, particularly with respect to shooting or whether it should be closed to shooting, we would value your submitting an auxiliary statement on that.

Mr. MORSE. We can do that, Senator; however, I think the Fish and Wildlife Service are the agency to determine when, where, and if shooting is to be permitted, and they certainly have been under a great deal of pressure in some areas that they have not yielded to. You know that as well as I do.

Senator NEUBERGER. I know they have, and, I think, in a few California areas they did yield, if I am not mistaken, and there was a good deal of controversy over that, and that is why I have put this discussion with you on the record so that, should the bill pass, the Wildlife Service will be informed that this has already been a subject of discussion and some controversy in the area. Have you any questions?

Mr. GAMBLE. Mr. Morse, what is the percentage or the extent to which this particular 17,000 acres of marshland which you have alluded to, what percentage is it of the marsh areas in the general Klamath Basin area? What I am really getting at is how much of a contribution is it making?

Mr. MORSE. It is making a very substantial one. The percentage, I don't have the figures available. I could get them for you. I am sure the Fish and Wildlife Service regional office here in Portland has them right now. But throughout the Klamath Basin there is a constant diminishing of marshland for waterfowl. The marshes along upper Klamath Lake, for example, constant reclamation projects, both by the Bureau and private individuals, are reducing the acreage each year. The State of Oregon has purchased a number of tracts of small marshes along that lake to safeguard it and allow it to remain as marsh. It isn't an entirely Federal show in the Klamath Basin any more.

Mr. GAMBLE. I asked the question because at the meeting in Klamath Falls the other day, Senator, I believe there were 2 or 3 witnesses who testified that they thought that the value of this area would be enhanced if the marsh were drained and the land converted into pasture or into some other crop.

Mr. MORSE. Well, I don't believe any individual or organization interested in wildlife would concur with that. The altitude of this marsh is around 4,500 feet, and, as I say, the climate is rather severe. There is little, if any, grain grown in it, and there is no probability of a commercial grain-growing enterprise as there is lower down in the

basin. If it were converted to anything, it would undoubtedly be wet pastureland, and the soil is very light in the marsh itself. It would be a problem on pumice soil.

Mr. GAMBLE. I noticed that in your statement you mentioned that, if the marsh were drained, it would become second-rate grazing land.

Mr. MORSE. Well, it would be very seasonal, sir. In other words, it freezes up very early and it would, in my estimation, not be nearly as good as grazing land as that——

Mr. GAMBLE. As the contiguous land?

Mr. MORSE. As the contiguous land is now, for the simple reason that that water has to go someplace.

Mr. GAMBLE. That is all I have.

Senator NEUBERGER. Mr. Wolf, do you have a question?

Mr. WOLF. Yes; I do. You presented these pictures on the Aztec lands. Is this correct; that was approximately 96,000 acres of land?

Mr. MORSE. I believe that was.

Mr. WOLF. A half billion feet of timber and a checkerboard ownership?

Mr. MORSE. A checkerboard ownership.

Mr. WOLF. The first picture shows a heavily cut area?

Mr. MORSE. That is right.

Mr. WOLF. And the second picture shows cutting on additional Aztec land to a lighter degree, about 60 percent?

Mr. MORSE. That is right.

Mr. WOLF. Were both of these cuttings made by the same company?

Mr. MORSE. No. They weren't.

Mr. WOLF. They were not?

Mr. MORSE. They were not.

Mr. WOLF. Who made the cutting, the one with the lighter cut?

Mr. MORSE. Southwest Lumber Co.

Senator NEUBERGER. Do you want to identify that by number?

Mr. WOLF. The 60-percent cut is on Southwest?

Mr. MORSE. That was on the Southwest cutting on the Coconino Forest.

Mr. WOLF. They bought the majority of that?

Mr. MORSE. They bought the majority of the land.

Mr. WOLF. This was bought by some other people, the completely cutover area?

Mr. MORSE. That is correct. I may be in error on this; I didn't bring my notebook. I thing that is Winslow Co., and it was purchased by them from Southwest.

Mr. WOLF. From Southwest?

Mr. MORSE. Yes. Several small sections in the forest.

Mr. WOLF. The Forest Service, you say, has a working agreement with the Southwest Lumber Co.?

Mr. MORSE. That is correct. They mark the timber for cutting.

Mr. WOLF. They mark it whatever way the Southwest Lumber Co. wants it marked?

Mr. MORSE. That is correct. They have a contract with them.

Mr. WOLF. There is no sustained-yield covenant involved here?

Mr. MORSE. No; not on those particular lands, or on any in the area, that I know of.

Mr. WOLF. Is this picture showing a 60-percent cut the type which is generally being followed by the Southwest Lumber Co.?

Mr. Morse. On those lands that they have cut to date. I was so informed.

Mr. Wolf. If they chose to vary it, they could, if they wanted to liquidate their timber?

Mr. Morse. They certainly can.

Mr. Wolf. Thank you.

Senator Neuberger. Thank you, Mr. Morse, very much for coming here. We appreciate it.

We will stand in recess until 2 o'clock today.

(Whereupon the hearing recessed at 12:30 p. m., reconvening at 2 p. m., of said day.)

AFTERNOON SESSION

Senator Neuberger. Please come to order. Before we start our afternoon session, the Chair wants to add to a brief announcement made this morning following Mr. Weyerhaeuser's very interesting testimony. I said I would give the two groups of Klamath Indians who appeared before us in Klamath Falls an opportunity if they desired it to comment on Mr. Weyerhaeuser's proposal. At that time I mentioned Mr. Wade Crawford and Mr. Boyd Jackson. It is now my understanding that Delford Lang and other members of the Klamath tribal executive committee are in the hearing room in addition to Mr. Jackson, so after we have heard the other witnesses I am going to ask Mr. Crawford if he cares to comment on Mr. Weyerhaeuser's proposal, and then instead of having Mr. Jackson alone, I am going to suggest that Mr. Delford Lang bring Mr. Jackson and the other members of the executive committee who are here with him up to the hearing table and they can testify individually or together or as they see fit. I just wish to correct that because I now note that there are other members such as Mr. Kirk, and Mr. Cook, and other members of the tribal council here in addition to Mr. Jackson.

Our next witness of this afternoon is Mr. Norbert Leupold, representing the Audubon Society. Is he here at the present time?

Then we will hear Mrs. Martha Ann Platt, who, as I understand it, is a member of the Audubon Society but will appear today for the Mazamas.

STATEMENT OF MRS. MARTHA ANN PLATT, CHAIRMAN, CONSERVATION COMMITTEE OF THE MAZAMAS

Mrs. Platt. Mr. Chairman, members of the congressional Committee on Interior and Insular Affairs, I feel it is a privilege to be able to make this statement before you.

My name is Martha Ann Platt, my address is 2738 Northeast 14th Avenue, Portland, Oreg., and I am chairman of the Conservation Committee of the Mazamas, a 63-year-old mountaineering club of Oregon with a membership of over 1,100. This statement is made because we are deeply interested in sound conservation practices that preserve and protect our natural resources.

Specifically we refer to Public Laws 587, 83d Congress, and No. 132, 85th Congress, which provide for the termination in 1960 of Federal supervision over the trust and restricted property of the Klamath Tribe of Indians and for the termination of Federal services to such Indians.

We are concerned because we approve of the present sound timber management on a sustained-yield basis which results in an orderly harvest. We have admired this fine Indian timber from the summits of Mount Scott and Mount Thielsen. Some of it in the Yamsey Butte area goes up to about 8,000 feet elevation and represents a particularly fine virgin stand. Fire prevention and erosion dangers have been considerations in the present Indian service management, and the reforestating of burned areas is contemplated when funds are available.

In order to expedite the sale of these lands, the reservation is being blocked out in units. No large companies have been interested in purchasing the entire reservation or large portions of it. Small operators are interested in purchasing the timberlands but it is expected that they will need to realize on their investment by cutting the timber as soon as possible. The prospect of the lumber market being glutted as the result of these sales is a real fear of the lumber industry, and we all feel the effects of an upset in the economy of the State. Another problem will be that these lands will probably be clear cut in order to realize the most return from their purchase. Under this sort of pressure, there isn't apt to be much regard for location of logging roads for sound erosion control and watershed protection nor reforestation program considered. There is no incentive for any policy but cut and get out.

We are also concerned as conservationists about the disposition of the upper Klamath Marsh, now an extremely valuable natural feeding and resting place for migratory waterfowl. Marshes such as this are rare, not only in Oregon, but in the Nation. There have been many national examples of wetlands drained for crop use, with the belated realization that the primary and highest value was for waterfowl use. Then followed the expensive and extensive restoration process over a period of years. Here in the upper Klamath Marsh we have a functioning habitat that with very little management, perhaps only grazing control, could be brought into great capacity. It is a fascinating place to visit anytime, but at certain seasons it is literally teeming with waterfowl, a thrilling and inspiring sight.

Ideally, these Indian lands should be under Government ownership and management, either on a State basis by the Oregon States Forestry Department and the State game commission, but preferably by the United States Forest Service (the Indian timber adjoins the Fremont National Forest) and the United States Fish and Wildlife Service. However, there are legal and financial obstacles that must be overcome before such acquisition and supervision could be achieved. These procedures would take considerable time, congressional and legislative bodies must study, consider, draft enabling laws, educate their members and then enact these laws. If the agencies involved have to build reserves through regular or special appropriations or by other revenue sources to pay the purchase cost, this also would take time. This huge and important project encompasses not only the financial obligation to the Klamath Indians, the timber economy of Oregon, but also the wise use and protection of precious natural resources. However, the Secretary of the Interior is ordered to perform the termination act by 1960, and a big majority of the Klamath Indians want to take their share in a lump sum and leave the reservation. So the present plan is

to liquidate quickly to the highest bidder in order to meet that deadline. That is the law.

In order to remedy this bad situation, Mr. Neuberger and Mr. Morse sponsored bill No. 2047 at the last session of Congress, which authorized the Secretary of the Interior to purchase all the tribal lands from the Klamath Indian Tribe at fair market value. The timberlands would be transferred to and administered by the United States Forest Service and the approximately 25,000 acres in the Klamath Marsh would be administered by the United States Fish and Wildlife Service. Other lands would be sold on a competitive basis. Certainly this act would solve the problems if it could be passed. But with the huge appropriation necessary, probably more than $100 million, and with an economy-minded Congress, it is unlikely to be enacted.

We feel that legislation must be enacted with these provisions, that is, Federal administration of the Indian lands, and that payment to the Indians be carried out. But in order to get such legislation passed, a solution must be found to reduce the initial appropriation. Therefore, we suggest a compromise: Congress authorize the Secretary of the Interior to acquire the land and the United States Fish and Wildlife Service be given the administration of the upper Klamath Marsh. This 25,000 acres would be purchased at a fair appraised value, but perhaps at least part of the cost could come from duck-stamp revenues. The Indians would receive a suitable preliminary payment from the proceeds of this sale. The balance of the reservation could be handled as in Mr. Neuberger's bill, the United States Forest Service administering the timber and selling off other lands to the Indians or other highest bidders.

Any moneys from these sales would go to the Indians immediately. The rest of the money due on the basis of a fair appraisal of the timber would be paid off from timber sales on a sustained-yield basis over a period of 25 years, supplemented by appropriation, if necessary. There would not be the usual 25-percent payment to the county or counties until after the Indians were paid off. Such a plan would not involve a huge initial appropriation by Congress; it should aid in an orderly relocation and stable settlement program for the Klamath Indians. The United States Forest Service and the United States Fish and Wildlife Service would continue good conservation procedures in the management of their lands. And all the people of the United States will have acquired a wildlife refuge and a national forest with watershed protection, erosion control, wildlife and recreation values. We so recommend.

Senator NEUBERGER. Thank you, Mrs. Platt, very much. I would like to ask Mr. Wilcox a question, if I may. You heard the interesting proposal submitted on behalf of the Mazamas by Mrs. Platt. Do you think as outlined that this would provide the sort of price for the timber that the Indians seem to expect or not? What is your opinion as Mrs. Platt outlined this proposal?

Mr. WILCOX. Mr. Chairman, the basic provision of the present law is to provide a means for the Klamath people, or those of the Klamath people who wish to withdraw, to receive their share during a very short period of time. I doubt very much whether these people would agree to any returns on a long-term basis, say, 25 years, such as in this present proposal.

Senator NEUBERGER. Mrs. Platt, I wanted to mention one thing to you. I think this is a very interesting proposal and has a great deal of merit to it. One of the situations that we are up against is a practical one. If I am not mistaken—and I want Mr. Wilcox to check me for accuracy—a survey made on the request of the Management Specialists by the Stanford Research Institute has revealed that approximately 70 or 75 percent of the tribal members have indicated that they prefer to withdraw and receive their prorated share of the assets of the reservation. Is that right?

Mr. WILCOX. That is right.

Senator NEUBERGER. In addition, under the existing law, we are up against a very rigorous schedule, even more rigorous than you indicated in your presentation. You mentioned the date of 1960—August 13, 1960, is the final termination date. But if Public Law 587 stands on the books, the Management Specialists are bound to commence the liquidation procedure immediately upon adjournment of the next session of Congress, which probably would be the end of July 1958. So it is even much closer than 1960.

Many people in the State have the misconception that 1960 is the date we are up against. That is the final date. The real date we are up against is July 1958.

The thing I am afraid of—this is the first time I have seen this proposal and I think it has a great deal of merit and value to it—is the situation Mr. Wilcox pointed out in answer to my question: That a considerable proportion of the Indians, far more than half of them, want their assets so much more quickly, and we are dealing with private property here that belongs to the Indians. The Government has been trustee for it, but it is their private property, and I just wonder if this would satisfy the Indians. That is the only thing that worried me, and that is why I put the question to Mr. Wilcox, who has been working day to day with this situation.

Mrs. PLATT. Well, if I may say, one reason I made this suggestion was the fact that I was concerned about the previous bill—I mean this 2047—being able to pass carrying such a heavy appropriation, and I thought if it could be spread over a longer period of time there might possibly be a chance of it passing, and under those circumstances the Indians really might be in a position to gain more over a longer period of payment than they would by the liquidation, the fast liquidation of their assets. Now, that was my feeling.

Senator NEUBERGER. I just wanted to say, I share your fears. I think passage of the bill is not impossible; I think the word "difficult" is probably the exact word, but I try to be realistic about it because when my bill S. 469, to postpone the termination came out on the Senate floor, it carried only an appropriation of $1,100,000 to reimburse the Klamath tribal funds, and it provoked 2 hours of economy oratory, and that was just a little over $1 million, so we are aware of the realities we confront. Are there any questions, Mr. Wolf?

Mr. WOLF. Yes. In addition to Mrs. Platt's suggestion, I notice here that in the statement Mr. Weyerhaeuser made, he indicated that purchasers could pay cash or in the alternative pay the purchase price on an installment payment basis with a minimum downpayment. These installment payments could be used to meet the principal payments becoming due over the next 15 years to Indian minors upon reaching their majority.

The suggestion that Mrs. Platt makes, and it is in Mr. Weyerhaeuser's statement, both indicate a recognition of the difficulty of dumping this timber on the market, and both of them are proposing installment-type payments to the Indians.

Now, I think that that points up one of the basic defects in Public Law 587, regardless of what type of solution you propose. This dumping operation is the thing which causes everybody concern, whether they want to buy the timber or whether they think some special arrangement should be provided for Federal purchase.

I would like to ask you, Mrs. Platt, if you were a member of the Klamath Tribe and you wanted to receive your full per capita payment now in order to invest it in some other stocks or bonds, or in a business or some other purpose, what would your reaction be to your proposal?

Mrs. PLATT. Well, I think I would take rather a long look at the tax situation, too. The payment in a lump sum might not be as much as it looks on the surface. I think it was estimated that it might be as much as $53,000 or $55,000, and I think I would want to go into that aspect of it as a consideration.

Mr. WOLF. Is it not correct, Mr. Gamble, that this will be tax free as far as the Indians are concerned?

Mrs. PLATT. Is it to be tax free? Well, then that would not hold. I think I would prefer the installment payments over a period of years as a member of a family, I think it would be much more desirable than to have a lump sum that I would suddenly have to make a great many decisions about. I have growing children and I would be interested in a long range—matter of education, and certainly if I had a resettlement program I think that would be much more desirable.

Senator NEUBERGER. The situation we are up against is this: I wasn't in Congress when the termination bill was passed—might I say thank heavens—but at the time it was passed, if I am not mistaken, and up until the present time, the Klamaths had been receiving from the sale of timber and other assets of the reservation approximately $800 annually per person, every man, woman, and child. So they have been receiving a relatively limited sum of money annually. I think that is tax free; is that correct?

Mr. GAMBLE. Yes.

Senator NEUBERGER. Tax free, which means, let us say, a family of 4 receives $3,200 a year now. That is the equivalent of around $4,000, or thereabouts, for another income which is subject to Federal taxation, so at the present time they have been receiving somewhat of an income from this and apparently they have not been satisfied with that and want this distribution of the assets. So that is the practical situation we are confronted with today.

I think your suggestion has a great deal of merit, but as I say, I wonder, just as Mr. Wilcox did, too, what this would encounter in the way of wishes or demands, if you care to phrase it that way, from the Indians. That is the one thing we have.

Mrs. PLATT. I am just interested in whether legislation would be possible.

Senator NEUBERGER. It is a very interesting suggestion and on behalf of all the subcommittee we thank you and the Mazamas for making this interesting proposal available.

Our next witness will be Mr. C. B. Stephenson, president of the First National Bank of Portland.

STATEMENT OF C. B. STEPHENSON, PRESIDENT, FIRST NATIONAL BANK OF PORTLAND

Mr. STEPHENSON. I have no prepared statement, Senator.

Senator NEUBERGER. We are happy to have you here today.

Mr. STEPHENSON. My name is C. B. Stephenson; I am president of the First National Bank of Portland. I have been a citizen and resident of Oregon all of my life.

I am somewhat familiar with Klamath County; we have a branch bank there. I have been familiar with this Indian matter ever since the passage of the bill, at which time management consultants were appointed, and almost immediately I found them in for help and advice, what to do. So the discussion began, then it continued over a period of time, somewhat in the abstract. Then on a more detailed basis when the question of creating some sort of trust of some of the proceeds involved for the benefit of the Indians either by their own choice or by reason of their incompetency or by reason of their being minors.

And that quickly posed problems for a corporate trustee of which we are one, and the whole question then began to develop problems and aspects resulting in some opinions and beliefs that I now possess, which I would be very happy to state.

Granted, the objects and purposes of the law as it now stands are desirable. The Government proposes to relinquish its wardship of the Indians which it has held these many years; this is desirable. But the effect of the law as it now stands is quite a different matter, certainly as regards the Klamath Indians and other tribes in that area and the resource which is involved.

I will speak first to the effect of quick liquidation of that resource and the distribution of the proceeds. The impact of quick liquidation would have repercussions on the economy of the State of Oregon. I feel that it would be very serious. The cutting and marketing of the forest of that size would disturb markets, clearly that. It would further violate the concept that we now have of maintaining forest stands on some type of perpetual basis, sustained yield if you want to use another word. The timber resource in the State of Oregon is the basis of the State of Oregon's economy. Sixty percent, roughly, of our income dollars come from that area. So you can quickly fill in for yourself, I think, some of the reasons why I would feel as I do on the subject of quick liquidation in toto and distribution of funds.

The second aspect of it has to do with the Indians themselves. Having been wards of the Government all these many years, I shall assume that they have not been preoccupied with financial matters, the investment of funds in any size. They comprise, as I said, people of mature years, minors, perhaps some incompetents. One can quickly envision the dissipation of their substance very quickly, with the result that they would then become instead of wards of the Government, if I may use that term, wards of Klamath County, and, in turn, the State of Oregon. In such a process I think a great disservice would be done to the Indians involved.

Now, that is the sum and substance of my statement, Senator Neuberger. I would be very glad to answer any questions.

Senator NEUBERGER. I appreciate your coming, Mr. Stephenson, and giving us the benefit of your experience in this matter and your contacts with the Klamath County community. How do you think we should proceed to avoid some of the calamitous events which I think you so accurately predict? For example, you mention should the Government presume to relinquish its trusteeship over the Klatmath Indians. Actually, in the passage of Public Law 587, in 1954, the Government terminated its trusteeship, so, for all intents and purposes, we are confronting here a fact, and not a theory. It has been ended.

Now, what particular remedy would you favor for us to forestall some of these rather tragic or disastrous events from occurring?

Mr. STEPHENSON. I could offer a suggested remedy which may be practical or impractical, or completely possible or impossible, I don't know. But if I could devise in my mind an agency of any character that could acquire that timber stand and operate this forest on a sustained-yield basis, that would be my No. 1 proposal, that the conservation of the resource is necessary.

Now, to give a specific answer, I have not been able to contrive in my own mind a way that private industry, in fairness to all, could accomplish this task, as much as I am a private enterpriser. I wish something like that might be done, because that is the way our economy operates, but I think of no alternative at this point but for the Government of the United States, through its Congress, to reconsider that law and appropriate the funds, this a hundred twenty, a hundred thirty, whatever sum of money, millions there may be, and acquire that land in Government ownership so the Department of Agriculture, Forest Service, if you please, or what other agency is appropriate, so that proper forest practices are followed, and you do avoid all the disastrous consequences of the existing law that we have described. I think of no other plan.

I don't want to see that forest resource gutted. I don't want to see the Indians' money thrown to the winds, and if I had an alternative to Government management in that forest I would be happy to submit it, but I do not.

Senator NEUBERGER. Well, I appreciate very much your making your statement here, Mr. Stephenson.

Mr. WOLF. Mr. Stephenson, have you seen the statement filed by the Weyerhaeuser Timber Co. this morning?

Mr. STEPHENSON. No. I just heard that one had been submitted.

Mr. WOLF. Would you care to have a copy and examine it and see if that provides an alternative that you think is satisfactory?

Mr. STEPHENSON. I would.

Mr. WOLF. And submit your views later to the committee?

Mr. STEPHENSON. Yes.

Senator NEUBERGER. I don't think in fairness to Mr. Stephenson we should ask him to comment today on the proposal. He has not heard it in detail. That would not be fair to you, and if you would care to perhaps write to the committee some time before November 1, I know that Mr. Weyerhaeuser and his associates will be glad to make a copy of the statement available to you.

Mr. WOLF. Your feeling, I take it, is that the basic mistake in Public Law 587 as it unfolded is that it forces the complete and quick liquidation of this resource.

Mr. STEPHENSON. That I think is not to the interest of anyone concerned.

Mr. WOLF. And you wouldn't want to see either a short-term or a long-term liquidation of the resource; you would like to see it preserved?

Mr. STEPHENSON. I would like to see it preserved on a sustained-yield basis, or some kind of an operation that would provide a continuation of that forest.

That means, of course, a complete reconsideration of the policy now expressed in that law, and I am mindful that there are many Members of the Congress quite unfamiliar with this matter and they have a desire to believe in the Government—in relieving the Government of the United States of this responsibility, to establish a citizenship for the Indian. Desirable, fine, but when one comes to grips with the consequences of such policy, you can quickly see that there are grave dangers and problems.

Mr. WOLF. Have you been associated with the work done to set up a management unit for the Indians who would like to stay in the tribal organization?

Mr. STEPHENSON. No, only in the respect to one aspect of that, the management consultants have, through counsel, prepared a form of trust agreement to protect these assets. Now, that, I think, is desirable. On the other hand, to create a management of the forest through any trusteeship involves the employment, of course, of specialists and all that, and no corporate trustee or individual trustee inexperienced in such matters could do an adequate job without that and that might be a solution possibly, but there are these agencies of Government experienced in these matters, and if the money can be had through the Congress, I still feel that that would be less open to criticism.

Senator NEUBERGER. Do you think that replacing the Federal trusteeship through the termination with this private trustee arrangement would really accomplish anything in terms of terminating the Indians from a wardship status, or would they still be really the same way but just with a different trustee over them?

Mr. STEPHENSON. Well, I think if such a trust arrangement permitted of reopening or reexamination at intervals as time and experience had been gained, if you were to start that way and then, as I say, permit a reopening clause or whatever it is so that you could reexamine, then I think you would have accomplished a degree of protection for all concerned.

Senator NEUBERGER. Could not the Federal trustee do the same thing himself?

Mr. STEPHENSON. Possibly so, if the Federal Government through such agency as might be appropriate would undertake the investment of sums of money and a strict trusteeship in the sense that I find is contemplated under this instrument. If the Government wishes to engage in that, and I am distinguishing now the management of money from the management of forest.

Senator NEUBERGER. I was referring to a reexamination every 5 years of every tribe perhaps as to whether it wishes to continue them in wardship status or terminate.

Mr. STEPHENSON. Well now, there is an element, it seems to me, of practicality in that; and you speak of every tribe and I assume that you speak to Indian tribes in other areas of the country. This is your first go at this thing here in Oregon, I believe. One cannot, I don't think, just abruptly turn around on this whole Indian question, in fairness to the Indian, fairness to the Government itself. I don't think you can just turn off the spigot and say today it's this and tomorrow it's that. I don't think—that reminds me very much of our theories of democracy that we like to peddle all over the world in distant lands where people are not ready to accept our philosophy and our way of life. They aren't prepared; they aren't ready, and I think you confront that situation here.

Senator NEUBERGER. I think you are correct. One of the real problems we have is this: that the Klamaths to some degree are a kind of guinea pig for this termination experiment. Unfortunately, in my opinion, the Congress and the Government selected a tribe for this experiment which has had its termination further advanced than almost any other major tribe, with a very complicated set of resources. We are in uncharted waters and that is the reason we are having this hearing today, to get some counsel and advice and suggestions as to where we are going. Do you have any questions, Mr. Gamble?

Mr. GAMBLE. Mr. Stephenson, if Congress is not successful in authorizing and appropriating the funds to purchase this asset, which I believe is your recommendation, what do you think should be done then?

Mr. STEPHENSON. Well, what alternatives are there except the one contained in the existing law? Someone might think of the State of Oregon, I suppose. I haven't given any thought to any participation the State might have in the matter. The State is interested, as I said, because the depletion of that resource on a rapid basis would be disastrous and this depletion and in turn distribution of the proceeds would, I think, be unfair to the tribes involved.

Now, you have either got one or the other, as I see it, unless the State would intervene on the basis of which, as I say, at the moment I haven't even thought about it.

Senator NEUBERGER. I am so pleased that you and Mrs. Platt and all the other citizens who have come here today, and at Klamath Falls, are interested in this because I find that very few people realize the very rigorous time schedule we are up against. This in effect is the 11th hour, because if this bill or some similar solution is not passed in the next session of Congress, the Management Specialists with whom Mr. Wilcox is associated will start to dispose of the assets of this reservation, on a liquidation basis next July or August, less than 1 year from now as we sit here, about 10 months from now. Isn't that the schedule?

Mr. WILCOX. Yes; it is.

Senator NEUBERGER. And that is the time schedule that we are up against. People are somewhat confused over the final termination date of August 13, 1960, but that is the date when all the affairs and assets of the Klamath people, the individuals themselves, their resources, the real property, must be completely severed from any ties with the United States Government, but that process is supposed to start under the extension bill which we had quite a bit of difficulty in

passing, as of the end of the next session of Congress, which will probably be at a fair guess, July 20 or 25, 9 or 10 months from today.

Mr. STEPHENSON. Well, you do have a bear by the tail, that is for sure. If you can capture the interest of Congress in a matter of this kind between the convening of the session in January and midyear, it will take a lot of pretty fast footwork, I would think.

Senator NEUBERGER. I was pleased to hear you say that you believe this is the responsibility of the Federal Government. That is the reason Senator Morse and I have introduced S. 2047, because it seems to me that this is the Federal Government's primary responsibility. It was the Federal Government that entered into solemn treaty obligations with the Modocs and the Klamaths and the Paiutes, who I understand are the forerunners of the present Klamath Tribe. It is the Federal Government who had wardship over these Indians now extending well back to a century or more. It is the Federal Government which we think—at least I think—has the responsibility now to reverse to a limited degree, Public Law 587 and provide an orderly solution. But if the Federal Government doesn't by next July or August, then it is a problem of everybody here in this State, and that is what we are up against. Any other questions?

Mr. WOLF. I just wanted to ask him if he would, when he goes through the Weyerhaeuser statement, if he would pay particular attention to the financing problems that they have discussed and the way in which they would solve the problem, and as a banker tell us what you think your reaction would be, since you might be called upon to loan some of the money to carry out the solution suggested.

Mr. STEPHENSON. I would be happy to extend credit to the Weyerhaeuser Co., providing the rate was appropriate.

Mr. WOLF. There may be some others, though, beyond them.

Senator NEUBERGER. Thank you so much. Has Mr. Norbert Leupold of the Audubon Society arrived? Would you like to make your statement now, sir?

Mr. LEUPOLD. Yes, if I may.

Senator NEUBERGER. We would be happy to have you come up here.

Mr. LEUPOLD. Thank you.

Senator NEUBERGER. Mr. Leupold, won't you go ahead? We are happy to have you come, and we have had some very fine statements from some conservationists, and we know you represent one of the great conservation and wildlife groups in our entire country.

STATEMENT OF NORBERT LEUPOLD, REPRESENTATIVE, OREGON AUDUBON SOCIETY

Mr. LEUPOLD. The Oregon Audubon Society is a nonprofit educational and scientific organization interested in the conservation of birds and other wildlife.

While not minimizing the importance of preventing chaos in the local economy, we are particularly concerned with termination of the Klamath Indian Reservation from the standpoint of the future of the Klamath Marsh. As an aside, however, we express the feeling that termination of the reservation and sale of its lands will deprive future generations of Klamath Indians of their heritage. Therefore, we question the wisdom of the governmental policy which resulted in

passage of the Termination Act, as well as the motives of the advocates of termination.

If, however, termination is inevitable, the Oregon Audubon Society urges congressional legislation to permit Federal acquisition for the following purposes: (1) Management and development of Klamath Marsh as a Federal wildlife refuge under the administration of the United States Fish and Wildlife Service; (2) management of the forest lands under a sustained-yield system by the United States Forest Service.

We think it important that any such legislation should provide that control of the water level of the marsh be invested in the United States Fish and Wildlife Service. In view of the existing threat to the superb Malheur National Wildlife Refuge (established in 1915) by a proposed project of the Corps of Army Engineers, we urge that Klamath Marsh be given specific protection from all competing agencies or bureaus no matter whether such plans parade in the name of reclamation, oil and gas leases, mining claims, flood control, or power withdrawals.

The past indiscriminate draining of wet lands has been a sad chapter in the history of our Nation. This policy proved to be a tragic disaster to our wildlife because of loss of nesting and feeding sites. It also proved to be a disastrous policy in the matters of soil and water conservation. As a result, many of our former wet lands have had to be restored at tremendous cost. We would, therefore, be remiss in our duty if we failed to point out that in Klamath Marsh we have a great natural marsh that doesn't have to be either restored or created. While, under present management, overgrazing has been a limiting factor, the potential production of wildlife in both game species and nongame species is readily apparent. It can be said that Klamath Marsh is unique, for there are few, if any, natural marshes like this one lying around loose.

We, therefore, feel that Congress has an unexcelled opportunity here in natural resource conservation. We should like to feel that it is more than an opportunity, for wise natural resource conservation is, indeed, a responsibility. The contrast between a great wildlife refuge and just another hayfield is not a pleasant picture to contemplate. Under existing law, the choice will have to be made soon.

Senator NEUBERGER. Thank you very much, Mr. Leupold. I just wanted to make one comment about your statement. You made a suggestion that Klamath Marsh, if acquired by the Government, be given specific protection from competing agencies and uses. If the Audubon Society, either locally are nationally, has any exact language to suggest in modifying S. 2047, I would appreciate it if you could submit it to us prior to the convening of the next session of Congress. Perhaps you might want to consult with your national officials and their attorneys and so on, but it seems to me that your suggestion has a good deal of merit. I can't pass on it conclusively, of course, but I think it has merit, and I would like you, if you care to, to submit some specific language to us at your convenience.

Mr. LEUPOLD. Very glad to.

Seantor NEUBERGER. Thank you very much. Thank you for coming.

Our next witness will be Mr. Robert W. Chandler, who is editor of the Bend Bulletin of Bend, Oreg. Mr. Chandler, glad to have you

come here today. Your community is contiguous to Klamath County and shares many of the same interests and problems. We will be pleased to have your statement.

STATEMENT OF ROBERT W. CHANDLER, EDITOR, BEND BULLETIN, BEND, OREG.

Mr. CHANDLER. Thank you, Senator Neuberger. My name is Robert W. Chandler. I am a resident of Bend, Deschutes County, Oreg., where for over 4 years I have been editor and publisher of the Bend Bulletin, an afternoon daily newspaper published in that city. I am immediate past president of the Bend Chamber of Commerce, and have been active on that organization's forestry committee. I have had a long interest in forestry and conservation. I am a member of the American Forestry Association, the Izaak Walton League of America, and other forestry and conservation organizations. I am appearing here today as an individual, private citizen, representing no one but myself.

Ever since the initial passage of Public Law 587 by the 83d Congress, I have been interested in and bothered by its various implications. I have studied the matter from several aspects.

I am not a forester. I have discussed the forestry problems involved with a number of persons whom I consider to be well qualified in this field. All of these people have been generally familiar with the forests of the Klamath Reservation, and all of them are familiar with the mixed ponderosa pine type of forests found on the reservation. The views I express today on the forestry aspects of Public Law 587 are my own. They have been arrived at after these discussions.

The Klamath Indian Reservation contains somewhat over 4½ billion feet of commercial timber, slightly over 70 percent of it ponderosa pine. White fir accounts for about 20 percent of the sawtimber stand, with the remaining 10 percent being divided among lodgpole pine, Douglas-fir, sugar pine, white pine, and incense cedar. The timber accounts for over 89 percent of the cash value of the reservation.

About one-fourth of the ponderosa pine, by far the most valuable species under the present timber-marketing systems and practices, is in 90,000 acres of virgin forest. The rest of the timberland of the reservation is classed as cutover, in varying degrees, and is now engaged, with varying degrees of success, in producing a new forest crop, either pulpwood or sawtimber, or both. Present stumpage prices in the western pine region, considering the ease of access of the stumpage on the reservation, would indicate the retail value of the sawtimber stumpage to be somewhat in excess of $100 million. The remainder of the reservation, lower priced species, pulpwood, marshlands, grazing lands, et cetera have an estimated cash value of somewhere around $10 million.

Under the terms of Public Law 587, this timber must be disposed of in such a manner as to provide the maximum possible return for its owners, the members of the three groups of Indians who are the descendants of the signers of the treaty of 1864.

This is entirely proper. The reservation belongs to these people, not to the residents of Klamath County, the State of Oregon, or the

people of the United States. It belongs to the Indians. As far as the financial proceeds from the reservation assets are concerned, no one else has any interest in its disposal.

At the same time, this reservation contains about one-fourth of the available timber in the basin, and three-fourths of the watershed. It alone contains an amount of timber equal to an 11½-year cut of the presently installed mills in the Klamath Basin.

From a forestry standpoint, the provisions of Public Law 587 pose two problems:

First, to dispose of the timber, for there actually is no other choice left under the terms of the law, nor is another choice particularly desirable, for eventual termination is the best answer to this country's Indian problem, in such a manner as to obtain the greatest possible amount from it for its Indian owners.

Second, after it is once disposed of, to manage the timber in a manner to protect the interests of the nonowners—the people of Klamath Basin, the State of Oregon, and the United States of America. This means, of course, what we loosely call sustained-yield management, a program which would allow an annual cut of approximately 75 million feet per year, plus salvage, in perpetuity.

I hold that under Public Law 587 these two aims are impossible to attain simultaneously.

Since this subcommittee is not primarily concerned with timber management in the normal course of its activities and studies, I am not sure that its members are familiar with the problems involved in the first of these two phases of the problem, selling the timber to provide maximum return to the Indian owners.

This means, probably, relatively small sales. It means small sales of an average of less than 5 million feet for the most part, in order to insure enough bidding competition to provide the highest possible price.

To process these sales—that is, to outline the sale plots, do the necessary surveying and cruising of the timber resource, and do the other work necessary before a sale can be advertised—takes a lot of skilled manpower.

This manpower must come from the relatively small pool of professional foresters available. This is work which can only be done by professionals. To do an adequate job in this regard, using the few professional foresters available at the present time, and to sell the timber in an orderly manner, would require a minimum of 10 years and probably longer.

This is based upon the premise which I feel is the only logical one. Precedence is given under the law to obtaining the maximum financial return to withdrawing members of the tribe. This will, if we judge by past timber-sale experience, result in selling most of the stumpage in small-size units, uneconomical to operate from a sustained-yield standpoint.

It must be pointed out that there are able foresters who believe that this theory is a questionable one. They feel that forced selling of small units might result in depressing the price so greatly as to result in less money to its owners than selling in a few large blocks.

The only alternative type of sale to private operators—and I am in favor of private enterprise any place I feel it can do an adequate job for the public good—is a large sale or sales.

Large sales mean, in the first place, a discounting of the minimum sale price of at least 50 percent. They mean this because no one can buy this timber, pay interest, pay taxes on it, take the risk of fire and insect damage, etc., over a period of 50 to 100 years and pay the same price as a man who can cut it over a shorter period of time, with few taxes, without tying up capital for many years, and practical elimination of the danger from natural enemies and fire.

Large sales to large companies do not automatically mean good management. Some timber operators, large and small, practice good forestry to a high degree. Some of these people do jobs as good as those done by our public agency managers. Some do better jobs. Others, however, do not and have not. Such large sales, to protect the resource, would have to be made on a preapproved management plan for the timber resource if such a procedure is legal or practical. There are those who believe it neither legal nor practical. I know nothing about the legality, but find myself on the side of those who think it is impractical. There are very few companies or combines of companies in the forest products business today even capable of making a $100 million purchase on these terms. And by no means all of the companies which are able to participate in such a sale would be interested.

For these reasons, then, I do not feel that private enterprise is the place for us to turn or the system for us to follow in this dilemma. While we have been talking of the timber resource, there are other values, primarily in watershed protection and wildlife management, which never have been considered primarily the responsibility of private enterprise.

We are then left with public ownership as the last resort. And in public ownership, generally, we have seen the best management of timber, watershed and wildlife resources. I have disagreed on some points with the United States Forest Service in the past, and may disagree with it again in the future, but its record of over 50 years of natural resource management has been an excellent one.

In my opinion, it is only through public purchase and management that the natural resources involved can be guaranteed management on a sustained yield basis. Our laws, State or Federal, do not require the degree of management from private ownership these resources require.

At this point, Senator Neuberger, I would like to make a suggestion which is possibly out of place. The best published material I have seen on this whole problem appeared recently in the Eugene, Oreg., Register-Guard in the form of a series of articles by Mr. William Dean, at the time a member of that newspaper's staff. I would like to call these articles to the attention of the committee. I tried to obtain a set to give to the committee. I am informed that sets are impossible to obtain now because there has been such a demand for them. It might be possible for the committee to obtain them and include them as part of this hearing record if it hasn't already been done.

Senator NEUBERGER. I will say this, Mr. Chandler: I don't say that great minds think alike, but I will say that your mind and mine think alike, because I think if Mr. Dean is here in the audience he will corroborate this, I thought the series of articles was so excellent that in

August I had their full content included in the pages of the Congressional Record and presented them to my colleagues that way in advance of the hearings. But you and I share a very high opinion of the comprehensive analysis prepared for the Eugene Register-Guard by Mr. Dean, and they are in the pages of the Congressional Record, and I am going to ask Mr. Gamble at this point in the hearing to obtain those articles, together with an editorial from the Eugene Register-Guard and to include them in the hearing record.

[From the Eugene (Oreg.) Register-Guard of August 4, 1957]

SECOND LOOK NEEDED—WEAK POINTS FOUND IN KLAMATH INDIAN TERMINATION ACT

(EDITOR'S NOTE.—The Klamath Indian Reservation in southern Oregon is one of the first in the Nation to come under a relatively new Government policy to terminate supervision of the Indians. Termination has been in process for 3 years. This and following articles are a report on the progress of this program.)

(By William Dean)

At the junction of United States Highway 97 and Oregon 230, a few miles south of Chemult, there is this sign: "No hunting allowed—Klamath Indian Reservation."

For more than 50 miles south of this sign—south beyond Modoc Point on upper Klamath Lake—the high plateaus, the hills and valleys belong to the Klamath Indians.

This million acres is land kept back by 3 tribes of Indians when they relinquished their ownership of the 20 million over which they had roamed for thousands of years. It is rich land of ponderosa pine, aspen groves, marshes alive with waterfowl, and of grassy range which can support thousands of cattle. It is land of plentiful water. Today, in midsummer, this land east of the Cascade Mountains is greener than the often rain-drenched Willamette Valley.

Living here in towns like Chiloquin, or communities like Sprague River and Beatty, are 1,300 descendants of the Klamath and Modoc Tribes and of the Yahooskin Band of the Snake Indians. Another 700 who can trace their ancestry back to these original owners of the Klamath Basin live off the reservation—in Klamath Falls, Malin, Eugene, or Springfield, and in 18 other States.

These 2,000 people and this million acres of rich land are proving an old adage: "You can't do anything by just passing a law and waving your arm."

ASSUME FULL RESPONSIBILITY

Yet, that is what the Federal Government set out to do in August 1954. At that time the Interior Department proposed, and Congress passed, a law which said that by August 13, 1958, the Government would terminate its trusteeship over the persons and property of the Klamath Indians. On that date next August the Indians were to assume more than just the full rights of legal citizenship, which they already have been granted. They were to assume full responsibility for their own personal welfare. Those who couldn't manage their own affairs, children and incompetents, were to be protected by the laws of Oregon.

The Termination Act, Public Law 587, was passed 3 years ago. Since that time the Klamaths have been put through the wringer of emotional stress and near-violence probably unparalleled in a stormy history of internal conflicts.

Today, a few days more than a year before the original termination date, most of the procedures which were to have led to complete emancipation for the Indian have ground to a halt, or they have developed critical weaknesses.

Today the contrasts between the visible intent of the law and conditions on the reservation lead one to wonder whether Public Law 587 was designed for the Klamath Indians or some other group.

These contrasts between the law and the reservation to which it was supposed to apply have caused Congress to take a second look at termination. A week ago a Senate-House conference committee adopted amendments to Public Law 587 which will delay until 1960 the termination date, and will make other changes in the program.

FURTHER STUDY NEEDED

One reason for the delay is to give the Congressmen a chance to study termination in the light of what is now known about the Klamaths. But delay may not provide a real solution to the dozens of complex problems which affect not only the Klamaths but, in some degree, most of the people of Oregon.

When Congressmen take another look, these are some of the things they will find on the Klamath:

A population held together only by the tenuous thread, often microscopically thin, of blood-lines and by an equity in common property. This tribally owned property holds a different value of one group than it does for another. The people themselves are legally and administratively considered a race somewhat different from the rest of us—and they are a people who, among themselves, have progressed toward civilization at tremendously different rates.

The Klamaths are divided in the public eye by two strongly entrenched and determined factions. Neither opposes termination—but, led by men who have been in personal conflict over the last 20 years, they are unable to agree on how soon or in what form they want termination. A major number of the Klamaths, those who refuse to be identified with either faction, nevertheless are torn and confused by the cross-currents of the fighting.

Tribal government, never a strong influence on the Klamath, now has deteriorated to a point of almost complete failure.

Many Indians feel that they and their children have been made sitting ducks who will be exploited or legally robbed of their estates in the termination process. The tribal executive committee threatened a boycott against the Klamath County legal profession because of a special guardianship fee schedule established by the county bar association.

Non-Indians of the Klamath Basin look with genuine concern, and in a few cases with anticipation, toward the day when the Indians receive their shares of the $100 million reservation. Many fear the money will be blown within a short time. This would leave the Indian with neither the means nor the background with which to support himself, and will present the Klamath Basin and Oregon with a far greater problem than it has now.

Finally, Congressmen will find that many of the men who have been hired to work on the termination program are fearful of its effects. In a report which has never been released by the Interior Department, two of these men have said that Congress was misled about conditions on the reservation and the capacity of a majority of the Klamaths to assume personal responsibility.

Public Law 587 turned out to be the key to Pandora's box—once the box was opened these and many of the other ills of life on the Klamath Reservation began to come into the open.

Today, even the men who have contracted to carry out a major part of the termination program are finding themselves in contradictory positions.

One of the men is Eugene Favell, of Lakeview. He said recently in his Klamath Falls office that he and his coworker, T. B. Watters, of Klamath Falls, are "* * * meeting ourselves coming around the corners."

These men, with William Phillips of Salem, contracted with the Secretary of Interior to carry out the physical termination of the reservation property. Phillips resigned in March 1956 and has not been replaced.

Watters and Favell are southern Oregon businessmen who have lived most of their lives in the area. Today they both admit freely that they really knew little about the Klamath Indians and, as a result of more than 2 years of study "are just beginning to get the information we should have had to start with.'

Neither of the men had had previous experience as a "bureaucrat" and this very naivete about some of the finer points of working for Uncle Sam is credited by many as the reason the Klamath fiasco has not developed into a full-scale disaster.

To begin with, as Watters proudly points out, they were able to get a peculiar (for Federal employees) clause attached to the contract which they signed with Secretary of Interior Douglas McKay in May 1955.

This clause gives the management specialists the right to recommend changes in the termination law. It was opposed by nearly everyone in the Interior Department, Watters says. But, he reports, "McKay said: 'You'd better listen to these men from Oregon. They are on the scene.' "

Operating under the added clause, Watters and Favell—while carrying out the letter of the law—have not hesitated to become convincing and outspoken critics of some parts of it. They have urged an extension of the termination period and basic changes in the provisions for disposing of tribal property.

Watters, who calls himself a life-long "black Republican," has become a real black sheep to many of his Klamath Falls neighbors. Yet, he and Favell have been at least partly successful in convincing others of their neighbors that Public Law 587 will create more problems than it will solve.

Paul Landry, former mayor of Klamath Falls, said recently, "I have fought with Tom for years on most local issues, but this time I am with him."

[From the Eugene (Oreg.) Register-Guard of August 5, 1957]

BATTLE WON, BUT NOT THE WAR—SPECIALISTS APPLAUD TERMINATION DELAY

(By William Dean)

"I favor termination. But if it comes right down to the final analysis I would prefer to have 587 repealed than to go through with it as it is set up now."

The statement was made in mid-July by one of the men responsible for a major part of the termination program on the Klamath Indian Reservation. At the time, a Senate-House conference committee was considering amendments from each House of Congress which primarily are intended to delay parts of the termination program so that Congressmen can take a second look at what they created in August 1954, when they passed Public Law 587.

At the end of July, Tom Watters—who was 1 of 3 men hired in 1955 to terminate Federal supervision over the physical assets of the Klamath Tribe—told the Register-Guard:

"It's important that the Klamath Indians get out from under Government supervision * * *."

But, he added, "It's also important not to cause any more damage than necessary."

FRICTION AND DISTRUST

Watters is a cheerful, outspoken man who somehow had managed to keep his emotional balance despite the friction and distrust which has developed around his job since the passage of Public Law 587. His partner in the termination job is the more reticent Eugene Favell of Lakeview. A third man, William Phillips, of Salem, resigned in March 1956.

Watters and Favell are well aware that their official title—management specialists—is spoken with all shades and degrees of contempt or irony by many persons. They are themselves of the opinion that the title is a pretentious misnomer.

But that is the least of their problems. Under Public Law 587 they have what has turned out to be an almost impossible problem.

If they carry out the provisions of the law as it was passed, Watters and Favell are convinced that:

The majority of the Klamath Indians will suffer;

The economy of the Klamath Basin will suffer.

The Management Specialists consider the amendment which will delay termination from August 1958, until August 1960, a battle which has been won. But, Watters says, "We still haven't won the war."

FOUR BASIC STEPS

The battle—and the war—have been going on since May 1955 when the three men signed a contract with Secretary of the Interior Douglas McKay. Since that time the specialists have been in almost constant conflict with either the Department, members of the Klamath Tribe, or their non-Indian neighbors. The chore the specialists contracted to carry out by March 31 of this year required them to go through these basic steps:

1. Cause an appraisal of the 800,000 acres of the Klamath Reservation which are in tribal ownership (roughly valued at more than $100 million);

2. Conduct an election among the 900 adult Klamaths in which the Indians will choose between taking their per capita share (estimated at $50,000) of the reservation's value in cash and withdrawing from tribal membership—or of remaining in the tribe to share in a management plan. This plan can't be worked out until after the election when it will be known how much land and how many members will be left in the tribe;

3. Sell enough of the reservation in economic units to pay off the equities of the withdrawing members;

4. Develop a management plan under which the remaining forest and range lands can be operated as a communal unit under a private corporation or trust.

This would seem to be a fairly simple procedure. The catch is that 70 percent of the Klamaths have indicated they might favor withdrawal and $50,000 cash in hand against some sort of management scheme which is still very much of an unidentified bird in the bush.

If as many of 70 percent of the members withdrew, a lot of timber would have to be sold. Earle Wilcox, forester working for the specialists, says that the volume to be dumped on the market in 1 year would be about 8 times the amount normally absorbed by all of the mills in the entire Klamath Basin. This would probably result in low, panic prices. The Klamaths would not get full value for their property. And the dumping of so much stumpage would probably not only upset the economic structure of the western pine region, but would likely have an effect in the Douglas-fir region.

Furthermore, the termination act requires that the highest possible prices be obtained for the timber. This means it would have to be offered in small tracts where competitive bidding would bring the best prices. These tracts would be offered and purchased on the basis of immediate recovery of the investment through logging. The result would almost certainly be rapid liquidation of the individual tracts and ultimately of the forest.

Watters says, "One of the finest stands of timber in the United States would be destroyed."

AMENDMENT URGED

The specialists, after a year of detailed study, recommended that Public Law 587 be amended to permit the purchase of the Klamath forest and range land by the Federal Government. They feel that only in this way can the area be kept in one management unit for long-term conservation purposes and at the same time provide a fair market value return for the Indians.

This forest which the management specialists believe should be kept in one unit covers almost 600,000 acres of the 1 million which were originally within the reservation. Another 200,000 acres are in rangeland and the marshes which provide resting places for migratory birds and—more importantly—are the sponge which pours an undiminishing stream of water into the vast irrigation works around Klamath Falls. The total 800,000 acres is owned by the tribe as a group. The rest of the million acres is in allotments which were made in past years to individual Indians and which have been held in trust by the Bureau of Indian Affairs. Under Public Law 587 clear title to these lands will pass to individuals. A program of selling the allotted land has been underway for more than 2 years. Prior to 1954 more than 100,000 acres were alienated—sold to non-Indians.

The forest itself is one of the best ponderosa stands in the Nation. It contains an estimated 4¼ billion board-feet of merchantable timber. Another 4½ billion has been removed over the 40-some years in which there has been logging on the reservation. About one-fourth of the annual timber supply for the Klamath Basin comes from the reservation, through sales supervised by the Bureau of Indian Affairs.

INCOME FOR INDIANS

More important to the Indians, and of the greatest significance in the termination program, the forest has provided the tribe with a gross income of more than $30 million in the past 40 years. This has been redistributed to tribal members, after administrative expenses have been paid, at the rate of about $800 per person per year. Each man, woman, and child will get more than $1,000 this year.

For a family of 5 this has meant an annual, tax-free, unearned income of $4,000 a year for the last generation—and on that fact hangs the scalp of many a Klamath.

[From the Eugene (Oreg.) Register-Guard of August 6, 1957]

"LO, THE POOR INDIAN"—GENERALITY CAUSE OF MANY DIFFICULTIES

(By William Dean)

"Lo, the poor Indian."

That phrase has been a catchword with Americans for nearly a century. The transformation of the phrase into a mental image of the Indian has led to many of the difficulties involved in termination of Federal supervision over the Klamath Indians and their reservation.

To our forebears pushing westward the Indian was a fellow creature to be exterminated because he occupied land that they wanted, because he stood in the way of progress, and because he frequently was a threat to our ancestors' own lives. But, he also was frequently an individual with great personal dignity and courage, a man with whom the non-Indian could and did live as a neighbor.

Later, when the Indian was pushed onto reservations where the non-Indian could conveniently forget him, confident that he was out of the way—or was being cared for by a paternalistic Great White Father—Lo came into being as a figment of our imagination, a creature of the fiction and movie script writers.

The Indian ceased to be an individual and became a generality. He became Lo, the poor Indian, the wronged but noble red man. Or, to the less sentimental, he became Lo, the lazy, dirty, brawling man with dark skin and straight black hair.

It is this generality which today haunts the people who live on the Klamath Reservation and trace their ancestry back 10,000 years before a treaty was made with the white man by La-Lake, Chil-oque-nas, Chemult, Schon-chin, Sky-te-ock-et, and other tribal leaders.

These chiefs of the three tribes who today make up the Klamaths would find it hard to see any similarity between Lo and the people who live at Modoc Point, Chiloquin, Sprague River, Beatty, or Eugene.

But the non-Indian in setting up and in administering the Klamath termination has seen Lo behind every face. The 2,000 persons of Klamath descent have been pigeonholed. We have said, because among the 700 who live off the reservation there are many capable and well-adjusted persons, that all Klamaths are so. We have said, because among the 1,300 who live in the area of the reservations there are some alcoholics and spendthrifts, that all Klamaths are drunks and wastrels.

These attempts to pigeonhole the Indian—and his refusal to fit into preconceived niches—has caused many of the contradictions in the termination program.

Yet, in the termination program it is necessary to consider them as a group with some degree of common ancestry and a common equity in the reservation property. It is necessary to know that there are only 351 full-blooded Indians, that most of the Klamaths are minors, that most of the marriages are with non-Indians or non-Klamath Indians. It is necessary to know that among the Klamaths there is a sizable group who want to escape the teepee concept of themselves; who, along with A. H. Wright, director of Oregon's Indian education and training program, ask:

"Just why is a man who is seven-eighths Swede and one-eighth Indian legally labeled an Indian?"

At the same time that it is necessary to compile group statistics about the Klamaths, it is vital to see them as individuals. Termination for most Klamaths is ultimately a problem of individual ability to leave the shelter of the reservation.

Let's break Lo into component parts and listen to some of the individuals living on the Klamath reservation.

AGENT UNDER STRAIN

The first is Seldon Kirk, for more than 20 years the chairman of the Klamath Tribal Council and a member of the Grange for a quarter of a century. Retired now from the carpenter's job which he held for many years, Kirk has aged rapidly—friends say—under the strain of trying to hold together a badly divided people.

In his comfortable farmhouse near the Council Grove where the treaty of 1864 was signed between the United States and the leaders of the three tribes, Kirk said recently:

"The termination law wouldn't faze us one bit if the people had been brought up to be independent and to earn their own bread and butter. But they haven't been. The attitude now seems to be one of shiftlessness. Why should a man learn to work when he knows he'll get enough from the timber sales to live on? The per capita payments (distribution of timber sale receipts) have been an inducement to shirk our personal responsibilities."

One time, Kirk continued, his father called him and told him to keep their five family land claims together. Kirk extended his gnarled hands. He flexed the fingers and made a twisting motion:

"My father picked up a bunch of sticks—you know the symbol—they can be broken one at a time but in a bunch they have great strength. That is what has happened to us. We've been divided and now we're fighting among ourselves."

IMMEDIATE TERMINATION

One of the leaders of the group which wants immediate termination is Ida (Mrs. Wade) Crawford. She spends much time away from the reservation, in Washingtou, D. C., or in meetings with some of the one-third of the tribe who have already, in effect, terminated themselves by moving away from the reservation influence. A woman of personal charm and the strength of her convictions, Mrs. Crawford says:

"The old Roman law of divide and conquer is being followed by these interests who have ruled us for all these years. They want to pick the pockets of our children and force the Indian to bear the burden of sustained yield by delaying termination until Congress can take a second look at the economic implications of liquidating the 4¼ billion board-feet of ponderosa pine on the reservation.

"It's our equity in these resources that is being frittered down the drain while the politicians stall," Mrs. Crawford charges. At the July 13 meeting of the tribal council she read a magazine editorial which said that the Klamaths are no more ready for termination than the headhunters of New Guinea.

"See what they think of us," she cried. "See what they think of the Indian."

Boyd Jackson is one of the most outspoken opponents to the 4-year termination program started by Congress in 1954. Short and stocky, Jackson's smile-crinkled face becomes serious when he cxplains his view that terminatiou should be a more gradual process.

Making circling motions with a finger, Jackson said, "The politicians come out here and stir us around this way; then another bunch comes out here and stirs us around that way—like we were something in a bowl. We've been groping around in the dark since the passage of the law. I still feel (termination) is too far off; I can't belicve it is going to happen, yet the time is on our necks."

WASHINGTON PROGRAM

One of Jackson's criticisms of the termination program is that it was worked out "in Washington instead of here on the ground."

"No one really tried to find out what we wanted, only what some of us wanted. It's the same way now. The law says that there should be consultation with the tribe on the management plan so that it will be acceptable to us. But they can't consult with us until after the plan is completed. What is consultatiou, anyway?"

These are three of the leaders of the tribe. There are mauy others who, when you talk with them, take shape as individuals:

Delphine Jackson, a student in commercial art at Marylhurst College near Portland, who feels that the 2-year-old educational program on the reservation—under which she is taking her training—could be an important factor in readying tribal members for termination. But, like her grandfather, Boyd Jackson, she feels termination is premature and that uot enough time has been allowed for the transition from reservation life to the outside world.

The woman who gave an impassioned invocation at the July meeting of the tribal council: "Give us the heart and mind, oh Lord, to do what is right * * * to show that we are not uneducated savages for people to look down on."

DECORATED BARRELS

Edison Chiloquin, a descendant of one of the treaty signers after whom the reservation's only incorporated town is uamcd. Chiloquiu, who has one of the few Iudian surnames on the reservation, has decorated the town's waste barrels with symbolic paintings during various stints in the city lockup: The barrel in front of the State liquor store carries the ugly face of a roaring (non-Indian) drunk; in front of the post office a barrel shows on oue side an Indian sending smoke signals and on the other a pony express rider.

Vina (Mrs. Friedman) Kirk, an Indiau but not a Klamath, who is married to the son of Seldon Kirk, is the first and only woman or Indian ever elected to the Chiloquin City Council.

An Indian woman speaking of the requirement that a proposed management plau for whatever part of the reservation will be left after the termination election must have the approval of the Secretary of the Interior before it can be discussed in detail with the tribal exccutive committee: "We're the ones being terminated, not the Secretary."

The woman leader of the on-rcservation discussion group studying termination problems who criticized a leader of one of thc factions for his repeated

questions during a meeting by asking rhetorically: "What is greater than a fool who is always asking question? He who already knows all of the answers."

And Hiram Robbins, one of no more than a dozen actually successful Indian ranchers on the Klamath Reservation.

MORE STUBBORN THAN MOST

Robbins, half Modoc, was born in Oklahoma where many of the Modocs were sent to exile after the war of 1872–73. He got out from under the blanket at an early age but has remained on his ranch within the reservation. "I was more obstinate and stubborn than most people, I guess," he says.

Robbins, who enjoys an excellent reputation among the businessmen of Klamath Falls, covered many subjects of Indian life during an interview in which more than 4 hours slipped by. But he returned invariably to this one theme which may be the key to many of the reasons why the Klamath termination has not worked out smoothly.

"All of these people who came out here, all of the congressional committees and everyone else, never talked about the people. Always, when they came here to study us, they looked at the trees and the water.

"We have a race of people here, not just the timber, but they didn't visit our homes, they drove through our forests and measured our trees instead."

[From the Eugene (Oreg.) Register-Guard of August 7, 1957]

Reports in Direct Conflict—Are Klamaths Ready for Termination?

(By William Dean)

On January 4, 1954, Orme Lewis, Assistant Secretary of the Interior, sent that Department's draft of a bill to terminate the Klamath Reservation to Congress.

The legislation had been sought through a congressional resolution 6 months earlier. In his letter, Lewis expressed the Department of the Interior's view that the Klamaths were not only anxious for termination but were prepared to assume the greater personal responsibility that this would entail.

Since then there have been both official and private reports which are in direct conflict over whether the Klamaths are prepared. In each case the reports speak of the Indians as a group although the reports actually deal with a so-far undefined portion of the 2,000 in the tribe.

In his cover letter, Lewis said:

"It is our belief that the Klamath Tribe and members have attained sufficient skill and ability to manage their own affairs without special Federal assistance.

"Through intermarriage with non-Indians and cooperative work and association with their non-Indian neighbors such as adult education and technical-assistance programs, education in the public schools over an extended period of years and employment in gainful occupations within and without the reservation, these people have been largely integrated into all phases of the economic and social life of the area * * *."

In August 1954, Congress passed a termination law based on the Interior Department's draft. It became Public Law 587. It also became the catalyst that set off 3 years of dissension and distruct among the Indians— and between them and their non-Indian neighbors with whom Lewis said they had been engaging in "cooperative work and association."

How do you reconcile the Department's official view of the Klamaths with such statements as these:

The Klamath are "no more able to assume the responsibilities (of termination) than the aboriginal headhunters of the Fly River area of New Guinea" (editorial in American Forests, February 1957).

"The Indians and the Klamath Reservation are receiving a very poor education. The chief difficulty is the attitude of the people. Lack of education is reflected in the scarcity of skilled workmen and the total absence of professional people. Education is the yardstick by which we measure the ability of any people to make their way in our complex society, and it is unfortunate that the Klamath people do not nearly measure up to their non-Indian neighbors" (report of the Klamath agency and office under the Bureau of Indian Affairs which is part of the Interior Department).

"The material culture of the Klamath Indians is little different from their non-Indian neighbors. They drive the same type cars, live in similar houses, dress and speak the same. They do not wear their hair in braids and very few aboriginal foods are still eaten. Only in the field of nonmaterial culture, such as attitudes toward time, work, and money, are the Klamaths set apart in any degree from other citizens of Oregon" (from report by Oregon State Department of Education on Klamath termination program).

OFFICIAL DEPARTMENT VIEW

Finally, how do you reconcile the official Department view with the material contained in a report made to the Secretary of the Interior last winter—a report which has never been released officially? This report on the social implications of Public Law 587 was filed by the management specialists—Tom Watters and Eugene Favell—who were hired by the Secretary to carry out termination of the physical resources of the tribe.

They say, however, "We cannot ignore the basic social implications of this legislation. Of national importance is the question of what will happen to the Klamath tribal forests. * * * Of equal importance is the question of what will happen to the 2,000 human beings who are directly affected by this law."

The report at the outset quotes the paragraph from Lewis' letter reproduced above and suggests that it can only refer to those Klamaths living on the reservation since little was known in 1954 about the one-third of the tribe living in other places.

Then, the report says, "We have become convinced that Congress acted on the basis of inaccurate information concerning the majority of Klamath tribal members. * * * The Klamaths are entitled to consideration in the light of valid factual information. The decision to terminate * * * must necessarily be based on facts."

The Management Specialists say that the concept apparently held by members of congressional committees on Indian affairs that the Klamaths are and have been managing their own affairs is erroneous.

"The Klamaths have never managed their own affairs as a group since the establishment of the reservation and there is a large group * * * whose members do not manage their own affairs as individuals."

The 12-page report also states: "One month after the passage of Public Law 587, 240 adults were considered by a local committee to be incompetent to handle their own personal funds, and the funds of 600 minor tribal members were held at the agency for supervision. This means that almost 50 percent of the adult Klamaths then living on the reservation were not considered competent to handle their own funds at the time Public Law 587 was passed.

"Records disclose a number of case histories of individuals who have received substantially large sums of cash and have dissipated those sums with no apparent increase in their standard of living. Three of the more recent examples of this type involve a 40-year-old male Klamath who received $2,180 in a lump sum in December of 1955 and did not have money for food 2 weeks later; a 50-year-old female tribal member who received close to $70,000 during the summer of 1955 and who is currently (December 1956) borrowing money; and a middle-aged male Klamath who received more than $11,000 in February 1956, and by midsummer had spent more than $8,000 with no perceptible increase in his standard of living."

DEGREES OF SUCCESS

The report points out that while information furnished to members of committees on Indian affairs indicates that the Klamaths have received education in public schools comparable to that of other citizens, the fact is that in the school year 1953–54 the school work of 40 percent of the 225 Klamath children enrolled in Klamath County public schools was not sufficiently satisfactory to warrant their being promoted to the next grade.

"Insofar as experience in business management is concerned, there is at present one tribal member who appears to be successfully operating a service station and store on the reservation and a few Klamath Indians who are operating ranches with varying degrees of success.

"It appears that more than two-thirds of the 270 able-bodied male Klamaths on the reservation between the ages of 18 and 63 either do not work at all or work only off and on. The majority of this group live, so to speak, from one per capita (distribution of timber sale proceeds) to the next."

The existence and functions of the Klamath Tribal Loan Board also, the report says, "have been cited as an example of the adequate business and management ability of the Klamaths as a group. When viewed in the light of the facts this example proves otherwise.

"It became the major function of the Klamath Tribal Loan Board to make advances on per capita payments and there was little or nothing in the situation to imbue the tribal members with any sense of financial responsibility."

During the period the board was in operation there were only two applications for loans to be used to purchase land, the report says.

Discussing the degree of social integration attained by the Klamaths on the reservation, the specialists' report turns to the court records of Klamath County which indicate that a substantial majority of the local adult Klamaths have been arrested and convicted during the past 10 years for offenses other than traffic violations. The number of convictions ranges from 1 to more than 100 per individual.

"The record also shows that the Klamath Indians, whose numbers in Klamath County comprise less than 3 percent of the county population, are accounting for almost 50 percent of the child delinquency cases requiring county welfare services."

The report concludes:

"The Klamath Indians have been described to Congress as one of the most advanced Indian groups in the United States. To substantiate this, there has been offered a description of their material possessions and references to the absence of Indian customs and dress. We suggest that a more reasonable criterion than the extent to which the Klamaths have shed the blanket, is how well the majority of them have acquired skills and attitudes necessary for the assumption of responsibilities in a non-Indian society which they will be required to assume upon termination."

The specialists, as shown in the report, obviously do not believe the majority of the Klamaths can make the transition from the blanket to full status in a non-Indian society under the terms of Public Law 587.

At the same time, a strong and vocal group disagrees.

They assert that it is now or never for the Klamaths. These tribal members say that they and the other Indians have been shackled by the reservation system far too long.

This internal conflict is one of the keys to the Klamath problem.

[From the Eugene (Oreg.) Register-Guard of August 8, 1957]

KLAMATHS BITTERLY DIVIDED—COUNCIL MEETING ENDS IN WALKOUT, LACK OF QUORUM

(EDITOR'S NOTE.—The Klamath Indian Reservation in southern Oregon is one of the first in the Nation to come under a relatively new Government policy to terminate supervision of the Indians. Termination has been in process for 3 years. This and following articles are a report on the progress of this program.)

(By William Dean)

The tumult died more quickly than it had started. The shouted argument between the chairman and one member of the executive committee ceased when one of the speakers stepped back from his microphone.

The shouts and taunts from members of two factions in the audience slowed and then the room was quiet. A motion to adjourn failed with only the active members of each faction voting. Nearly a third of the eligible members present took no part.

There was a call for a quorum count.

Members representing one faction complained: "I knew they'd do that." "Just like them when they can't have their way."

The woman in the blue suit began counting eligible members along the north side of the hall. Many of those sitting in the other half of the room headed for the doors. Within moments 30 or more men and women left. Outside, in a hallway, someone remarked, "We can still be counted if we stay in the building."

The group there moved quickly through the door and into the sunlight outside. The woman in the blue suit entered the hallway, then turned back without counting the retreating backs.

"Mr. Chairman," she said, "I count 83."

The chairman bowed his head a moment. We lack a quorum of 100 for doing business. The council meeting is adjourned."

Thus the July 13 meeting of the general council of the Klamath Tribe came to an end after a full afternoon of parliamentary mancuvering and accusations. The only accomplishment was to show that the members of the tribe are bitterly divided over an issue which reaches beyond the confines of the council hall at Klamath Agency.

Termination, the day of final settlement, the day of complete emancipation from the stewardship of the Federal Government was to come on August 13, 1958—a year and a month from the date of the special council meeting. But virtually none of the basic issues involving this act of wiping out 93 years of reservation life, of having their money held for them in trust, of having many of their problems solved for them by the Great White Father, had been settled by the time of the July 13 meeting.

The July 13 meeting was not unusual. Virtually every meeting of the tribal council in the last 3 or 4 years has ended in a walkout of 1 of the 2 principal factions within the tribe—and thus has been unable to continue because it was not possible to get 100 of the 900 adult members of the tribe to take part.

The points at issue on July 13 are not now particularly important. Nor was the shouting session between Seldon Kirk, tribal chairman, and Boyd Jackson, executive committee member, more than a symptom of the strife which has divided the Klamath people since Congress passed the Termination Act, Public Law 587, in August 1954.

The technique of walking out and bringing council meetings to a halt is not exclusively the property of the group led by Boyd Jackson. The faction led by Wade Crawford has halted council meetings by the same procedure more than once.

The basic contention between the two factions grows out of what might be called an elementary difference in the makeup of the people who are known to outsiders as Klamath Indians. The Klamaths, under Public Law 587, are treated as a group in which the individuals have been making equal progress in the transition from an Indian society to a white society. Most of the Indians say that this is not accurate. They say that some of the tribal members (for example, the two dozen or so who live in the Eugene-Springfield area) have made a complete transition. But, there are many remaining on the reservation who—even though they may drive flashy, modern cars—are still living either in the Indian society or in the far worse state of irresponsible lassitude fostered by the reservation system.

Hi Robbins, the Sprague River man who is one of less than a dozen ranchers on the reservation who have been judged fully capable of operating successfully without the legal and financial benefits of tribal membership, says unqualifiedly:

"No. They can't take care of themselves. The paternalism of the Government has kept them in the condition of children; they have been protected from the need to work or to be responsible for their debts."

RESERVATION A SANCTUARY

Until recently, Robbins said, the reservation was a sanctuary for Indians who got into trouble in Klamath Falls or other towns. A few years ago Congress passed Public Law 280 which makes the Klamaths on reservation subject to both the criminal and civil jurisdiction of the State. But the effect of living for years in a sanctuary from local law officers, Robbins and other Indians say, is still apparent in the actions of some members of the tribe.

On the other side is the view of Wade and Ida Crawford and the group which they lead. These are described by the elderly Seldon Kirk as the "white Indians"—mainly the one-third of the tribe which has moved to other areas. Their interest in the reservation now is much the same as yours would be in a family estate in South Dakota or Kansas—primarily a monetary interest and perhaps an inability to understand why the old folks back home are so disturbed at the prospect of breaking up the property.

These are the people who fully understand Crawford when he says:

"This is a matter of getting our individual equities. We'll settle this, if need he, in the same way you would if someone tried to keep you from using your own property * * * by going to court."

They are the ones who would agree with the statement made by Orme Lewis, Assistant Secretary of the Interior, in a letter to Congress in January 1954.

PRIVATE PROPERTY

Acknowledging that accelerated cutting of the reservation timber in order to carry out the termination plan would eventually injure the economy of the Klamath Basin, Lewis says:

"Nevertheless, this asset is private property belonging to the Klamath Indians even though it is held in trust by the United States for the tribe." He adds that Public Law 587 was designed to conform to the concept of tribal and individual holdings as private property.

They are the ones who have had the experience to see and appreciate the opportunity each will have when he gets his $50,000 or greater equity from the reservation.

As individuals, experienced in life away from the reservation, they find it difficult to grasp the concept held by Boyd Jackson and others who want termination, but only as a slow process extending over many years; the concept held by many of Jackson's followers that the reservation is common property and still a tribal holding.

Or, as an attractive young Crawford supporter—a Klamath woman from off the reservation—said during the quorum count at the July 13 meeting:

"The trouble is, so many of those Indians don't know what's going on."

[From the Eugene (Oreg.) Register-Guard of August 9, 1957]

ANSWERS ARE VITALLY IMPORTANT: WHAT WILL HAPPEN TO THE KLAMATHS AFTER TERMINATION?

(By William Dean)

(EDITOR'S NOTE.—This is the last in a series of articles on the progress of the termination program on the Klamath Indian Reservation.)

What will happen to the Klamath Indians on termination day?

What will happen on the day or days on which their individual equities in the million-acre, $100 million reservation are given to the Klamath people?

No one really knows. But taking the Klamath termination for what it really is—a full-scale test with live people of the Government's policy of getting itself out of the Indian business—the answers are vitally important. The effects of the termination program are being watched carefully by Indians and non-Indians across the country, because their reservations and their communities may be the next to undergo the disruptive social and cultural change that appears slated for the Klamath Basin.

One of the things that is certain is that termination will come. It may come in 1960 as now planned by Congress—or it may be stretched over many years.

WHAT ABOUT THE MONEY?

If termination comes by legislative act within the next 2 or 3 years what will happen to the 2,000 members of the Klamath Tribe and to the money that many of them expect to receive?

"Most of the money will go to the dogs," Seldon Kirk, chairman of the tribal council, says.

"Some people say the Indians will be no good until they have spent their money and have to go to work," says William Ganong, Jr., a Klamath Falls attorney and member of the Klamath Chamber of Commerce's Indian committee. "But there are responsible Indians out there now who will know how to handle that money. The unanswerable question for the ones that don't is how to make the transition without too great a shock."

"There'll be a lot of new cars bought," says an automobile dealer. Looking pointedly at the writer's decrepit vehicle, he adds, "You oughta come back about a week after they get their first payment. We'll have some terrific used cars."

"It'll be like throwing a steak to the dogs," says Elnathan Davis, secretary of the tribal council, who is disturbed over the potential for exploiting the Indians who are expected to come into an "inheritance" of around $50,000 per person. "Too few of us are prepared to handle these things."

Bert Albert, mayor of Chiloquin, which is a mostly non-Indian town inside the reservation, says:

"As far as termination goes they could do it tomorrow. It won't be any different if they wait 10 years or if they had done it 10 years ago."

FINGER OF BLAME

Then Albert, who has lived in Chiloquin for 30 years, points a finger of blame at what may well be both the reason why many Klamaths are not prepared to stand on their own—and the reason why they should be put out on their own at the earliest possible time:

"The trouble here is with the per capitas. That's the worst damn thing there ever was. The Indians don't have any incentive. They know they're gonna eat anyway. They've been brought up that way. The best thing would be to sell the timber to the Government and let the Indians have the money to spend. After they've spent it they'll have to learn to work—or go hungry."

This opinion of the per capitas—the distribution of money to individual Klamaths from the sale of their timber—is held almost universally among the Indians themselves.

Boyd Jackson, vigorous opponent of termination as it is outlined in Public Law 587, says: "We were better prepared for termination 40 years ago (before the per capitas started) than we are today."

Wade and Ida Crawford, equally vigorous opponents of delay, contend: The Indian has been shackled and debilitated by the white man's paternalism and the easy money from timber sales. To continue this system, either in a reservation or a trust setup, won't bring back the independence and vigor of the Klamaths.

EIGHT HUNDRED DOLLARS YEARLY AVERAGE

For 40 years or more the Klamaths have been getting an annual living income from their timber. It's averaged out at about $800 a year for each man, woman, and child. It is tax free.

Among those who have stayed on or near the reservation it has been the exceptional individual who has sought outside income from jobs or stockraising or farming. Since World War II when a peak market for beef encouraged many to take a flier at cattle raising the cattle population of the reservation has dwindled from around 10,000 head to less than 3,500. During the same period, there has been an increase in stumpage prices which almost parallels the reduction in cattle grazing.

One estimate places the number of adult Klamaths who are actually self-supporting at no more than one-third. This same estimate, which is generally accepted by those dealing with termination, says that at least 45 percent depend solely on their per capita payments from timber revenue and another 22 percent have some supplemental income.

One Indian recently said:

"Every time I get to wondering what's wrong with us, I come back to the per capitas—the dole as we call it. If I had any guts I'd bank mine and go to work. But what would I do? I've never held a job more than 2 or 3 days in my whole life."

No child or youth, this man is a father in his late thirties.

With an eye toward preventing more of a tragedy than already exists on the Klamath Reservation today, there are a number of official and private groups casting about for answers to the Klamath's dilemma.

In most cases, these groups are subject to the same appraisal that was made of the Klamath education program which was set up by Public Law 587. This appraisal was first voiced in an editorial in Christian Century, one of the foremost of the national religious magazines.

That magazine said that either the adult education program on the Klamath is unnecessary because the Indians are already prepared for termination—or the termination program itself is premature.

[From the Eugene (Oreg.) Register-Guard of August 15, 1957]

TERMINATION, AN INDIVIDUAL PROBLEM

A different approach to the termination of Federal supervision over the Klamath Indian Reservation is needed. Termination was started 3 years ago with

the idea that all 2,000 of the men, women, and children who have a degree of blood relationship with the Klamath Tribe are fully prepared to accept a position of personal responsibility in a non-Indian society.

That is not so.

Some of the Klamaths are ready. But certainly the majority, because of their limited experience in the outside world, are no more prepared than a high-school freshman who is given $50,000 and told to go to England where he must make out on his own, far from everything to which he is accustomed.

These are the people who, like the high-school freshmen, are unprepared for the arbitrary termination contemplated in Public Law 587. That law sets August 1960 as the termination date for the Klamaths. It assumes that they are all at the same stage of social and economic development. It makes termination an irrevocable fact as of that date.

True, the law gives the Klamaths a choice of withdrawing from the tribe or remaining under a corporate entity or trust program. As a practical matter, however, this is thin frosting on the cake and no real choice.

The only actual choice available is the one that must be made by the non-Indians of this country who have set themselves up as supervisors, guardians, and trustees of the Indian. And that choice is whether the Klamaths and the many thousands of other Indians under Federal supervision are to be dumped wholesale into a strange new life, or whether we will take the time and have the patience to work them into our world as each individual becomes prepared.

Such a choice must be made now. In fairness to the Indians and to the rest of us it can only be a decision to revamp the termination act completely.

Such a revision should cover many points of which these seem the most vital:

1. The resource—some 4¼ million board-feet of ponderosa pine timber and a limitless flow of water—must be converted into cash. As it is now planned by Public Law 587 this would lead to destruction. So far, the only alternative which would give the Indians a fair value on their property is Federal purchase at the appraised price. The lands then would be turned over to the Forest Service for administration. Such legislation already has been proposed by Senator Richard L. Neuberger.

2. The right of one-third of the tribe to its share of the tribal estate should be honored. There are the Klamath descendants who already have terminated themselves by moving from the reservation. Individually, these persons are as well prepared to care for themselves as any of your other neighbors.

3. A test must be established to determine the competency of the remaining members of the tribe. This must be a positive, definable—albeit arbitrary test. It could be based on a number of factors, but foremost among them should be the individual Indian's proved ability to support himself outside his income from the tribal estate. Such a test will be no more complicated nor subject to lawsuits than the procedure outlined in Public Law 587.

4. Finally, provision must be made to encourage the one-half to two-thirds of the tribe who cannot (or at least should not) pass the competency test to make themselves ready for the day when they will be allowed to withdraw. This is the most difficult problem. It would take a generation, or maybe two. But some progress along this line has been started in the program sponsored by the State department of education. Numerically, the effect has been slight but for some individuals the progress has been tremendous. And termination is an individual, Indian by Indian, problem.

Mr. CHANDLER. Aside from the forestry aspects of this termination there is another and possibly even more serious problem. This is social problem which is sure to arise if each enrolled member of the tribe receives, in a lump sum, the more than $50,000 he can expect as his share of the sale of the tribal assets.

Some members of the Klamath group have been insisting, in Washington and elsewhere, that the Klamaths are not "blanket Indians." True, there is little evidence on a casual visit to the reservation that this is the case.

But the truth is that few of the members of the tribe are qualified and able to manage wisely such large sums of money.

Under Public Law 587 the members of the tribe would receive this sum. A man, wife, and 3 children would receive in excess of $250,000.

That these people are not able to handle such a sum of money is not their fault. Yet, particularly in the case of minors, we must be certain that wise management practices are followed.

We have no assurance that such will be the case. On the contrary, we have good reason to believe there is considerable danger that much, if not most, of the money will be dissipated with no long-term benefits to its recipients.

I venture to say that if most of us in this room had been raised and trained as most of the Klamaths have been raised and trained, we would not be any more capable of management. Only in very recent time, the past 3 or 4 years, has education on the reservation come up to what might be considered minimum standards in Oregon. This is not the fault of those who have managed this education system. It is the fault of the system imposed upon the Indians many years ago by the Federal Government which was their guardian.

Our record, as a Nation, in the handling of our Indian affairs has been a sad one. I venture to say that if, in 1864, those in charge of settling Indians on reservations had known the future value of the Klamath Reservation, we would not have had this problem today. The Indians would have been placed on some other, less valuable, property.

But the property, primarily because of the value of the timber resource, has paid tribal members an annual per capita payment of approximately $800 during recent years. This payment, made without any effort being required of its recipients, has, to say the least, not been one which would lead to habits of thrift, hard work, or self-training in the management of funds.

In support of my contention that some sort of low-cost program must be established to help these people manage their funds, increase their standard of living, and allow them to come up to the social standards of their non-Indian neighbors, I offer the following facts:

The Klamaths as a group have had practically no experience in business management. The tribal loan board, which functioned as a group activity in this field, actually amounted to a clearing board for obtaining advances against per capita payments. Few of the loans, practically none, were used for normal purposes by ordinary commercial loan standards.

As individuals, a number of the Klamaths are felt by their own neighbors to be incapable of managing their affairs. Three years ago, in 1954, nearly 50 percent of the adult Klamaths living on the reservation were judged to be in this category by a local committee. During the past few years a number of Klamaths have received large sums of money. The number which has used this money wisely is very much in the minority.

Several studies have been made of the degree of education of the Klamaths. Education in itself is not all-important. Nevertheless, it is one of the self-measuring standards of any society. During the 13-year period from 1934 through 1947, only 16 Klamaths were graduated from Klamath County high schools. And only one of these attended school beyond high school, that being a business school.

I am sure the subcommittee has available the published statistics on degree of education, felony charges, child dependency, and so forth. These, when considered as a part of the whole picture, demonstrate

that a large number of the Klamaths living on the reservation are not yet trained to manage sums of money such as they will receive from termination under Public Law 587.

There are, then, three problems as I see them:

First, to obtain the maximum possible dollar amount for the Indian owners of the reservation.

Second, while doing so, assure that the timber, water, and wildlife resources of the reservation continue to be managed wisely for the benefit of all the rest of the people.

Third, some method of handling must be decided upon which will assure wise management of the resulting funds for those unable or untrained to provide that management themselves under section 15 of Public Law 587.

It is my opinion that Senator Neuberger's bill, S. 2047, will answer the first two problems better than any other suggestion which I have seen to date.

I would like to point out that this was written prior to Mr. Weyerhaeuser's statement.

I think the third question deserves further study by the Congress, the Management Specialists, the executive committee of the Klamath General Council, and other interested parties, to arrive at some logical, reasonable solution. The problem here is one of administration of section 15 of Public Law 587. Thank you.

Senator NEUBERGER. Mr. Chandler, thank you very much for that very informative and effective statement. Mr. Wolf, do you have some questions?

Mr. WOLF. After reading Mr. Weyerhaeuser's statement, have your views changed?

Mr. CHANDLER. In some respects, yes. After reading it and listening to Mr. Weyerhaeuser's explanation of it and listening to the question-and-answer period thereafter, I think it is a much more reasonable approach to the problem than anyone would expect it to be after reading the first 2 or 3 paragraphs of tomorrow morning's paper, which is where most people will become familiar with it; and I am afraid that it will be subject to criticism because there will be a lack of familiarity with its provisions. I think it is a matter which is practical among reasonable men, but I am afraid that it won't be looked upon with a degree of reasonableness in all quarters at all.

Senator NEUBERGER. I just want to assure you this one thing: That as chairman of the subcommittee, I am going to make every effort to get all possible information on the suggestion made by Mr. Weyerhaeuser so when the time comes to consider S. 2047 by the subcommittee, if possible the subcommittee will have before it these two basic facts: The amount of money approximately it would cost for the Federal Government to buy the assets which we have mentioned under S. 2047, and, in contrast, the amount of money which the Federal Government might have to pay in order to make up the difference between a sustained-yield price and an immediate cutting price under the provisions made by Mr. Weyerhaeuser, so at least the full information about both proposals, if available, is before the subcommittee. I assure you we will make every effort to do that.

Mr. CHANDLER. I am not bothered about the subcommittee looking into it carefully; I am worried about the man who reads it first over

his morning coffee tomorrow morning and reads "subsidy" and rises to his feet and thinks the Weyerhaeuser Timber Co. is trying to obtain a subsidy at the expense of Government, and I don't think that is their intention.

Senator NEUBERGER. I agree with you. I think the whole provisions of Weyerhaeuser versus S. 2047 would be the contrasting costs to the Government of each proposal and then the public policy involved collaterally under each one. I certainly never intended to imply that Mr. Weyerhaeuser was seeking anything selfishly for his company. He was proposing one public policy; S. 2047 proposes another, and I don't think we can judge them finally until we know what each would cost and then to judge what the Government would have to show for its expenditure under each proposal, but I agree with you that it deserves serious consideration.

Mr. WOLF. If neither proposal were accepted by the Congress, what would you suggest be done to Public Law 587 as a third alternative?

Mr. CHANDLER. A third alternative would have to be, in my opinion, the rewriting of the law to greatly extend the termination procedure. I don't think it is possible on any kind of an orderly sale program now based on sale programs held in our area to sell that amount of timber in 18 months. It is just a physical impossibility. You can't process the sales; prospective buyers couldn't hire enough foresters to look it over in that length of time. Even granted that the Management Specialists have a very fine inventory on it, and they know log recovery, grade, and so forth, no buyer is going to buy it unless he himself has checked his own information against theirs, and it is practically impossible, I think, to sell it in any kind of an orderly fashion in less than 10 years, even if it was a complete liquidation sale. Because there would immediately be a number of small operators ready to get in and get out, but the bulk of the timber would, of necessity, go to established mills in the Klamath Basin area who are already there and don't have to build mills and who can cut 400 million feet a year, or in Deschutes County where we can cut 250 million feet a year, or Lake County, 125 million feet a year; and it can't be done in 18 months. It would have to be extended.

Mr. WOLF. Thank you; that is all.

Senator NEUBERGER. I just want to point out one thing to you, Mr. Chandler. I agree with you completely that the three major problems confronting us are, as you outlined them, these: First, to obtain the maximum dollar value possible to the Indians for the sale of their assets. Second, to conserve wisely and prudently these valuable resources; and, third, to set up a sound method of disbursing the funds to the individual Indians which will be to their best interest and to that of the community.

I want to point out to you why the third provision was not contained in my bill, which you so generously said did go to the heart of the first two problems. It seemed to me, in all candor, that we are going to have some difficulty passing the bill at all. That if we can take care of the first two problems in this bill in view of the urgent time schedule which we confront, we will be doing very well indeed. I feared, and I consulted with quite a few people who are also interested, that if we complicated the bill by perhaps arousing considerable opposition on the part of many of the Indians by setting forth a

method of handling the funds or retarding the disbursement of the funds, that it would greatly impede the chances of passage of whatever we can do under the difficult circumstances. That, in all frankness, is why the third problem is not discussed or approached in this bill.

Mr. CHANDLER. The third problem can, in my opinion, be handled adequately under section 15 of the present bill if it has a proper administration. That is a question of the judgment of the Secretary of the Interior and the people in his Department as to how strong they want to go and how they want to interpret that until they get a court, and so forth.

Senator NEUBERGER. And I do think S. 469, which we passed this year to at least give us a little more elbow room, did improve to some degree the guardianship provisions.

Mr. CHANDLER. That is true.

Senator NEUBERGER. Do you have any questions?

Mr. GAMBLE. No.

Senator NEUBERGER. I thank you very much for coming, Mr. Chandler.

(The following communication was received after the close of the hearing:)

THE BEND BULLETIN,
Bend, Oreg., October 9, 1957.

Senator RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: I would like to add some information regarding statements I made at the Portland hearings on S. 2047.

The Klamath Indians have been described to Congress as one of the most advanced Indian groups in the United States. I submit that this is by no means true and that to carry out Public Law 587 as now constituted would be a serious mistake and would result in irreparable damage.

In support of this contention, I offer the following information:

1. Court records in Klamath County indicate that a substantial majority of the adult Klamaths living on the reservation have been arrested and convicted during the past 10 years for offenses more serious than traffic violations. The number of convictions range up to 100 per individual.

2. The reported number of desertions, illicit unions, illegitimacies, and extramarital relations far exceed that of the rest of the Klamath County public at large.

3. Reservation Indians account for almost 50 percent of the child-dependency cases requiring Klamath County welfare services. These Indians total less than 3 percent of the county's population.

4. The manager of the Klamath County office of the Oregon State Employment Service states that almost without exception the employers in the Klamath Basin will not hire a Klamath Indian if they can possibly avoid doing so. This is because of the lack of a sense of responsibility and dependability on the part of many Klamath Indians.

5. An estimated more than two-thirds of the nearly 300 able-bodied male Klamaths on the reservation between the ages of 18 and 63 either do not work at all or work only sporadically.

6. Insofar as experience in business management is concerned, there is at present one tribal member who appears to be successfully operating a service station and store on the reservation and a few Klamath Indians who are operating ranches with varying degrees of success. To what extent these Indian ranchers would be successful in a competitive situation in which they were required, without benefit of per capita payments, to pay the same grazing fees as the non-Indian ranchers in the area and to raise or buy their own winter feed is problematical.

7. Testimony before the committees would seem to indicate that the Klamaths have received an education in public schools comparable to that of all other citizens. The truth is that such an education is available, but that many of

the Indians have not taken advantage of it. In the 1953–54 school year there were 225 Indian children enrolled in the Klamath County public schools. Nearly 100 did not do work satisfactory enough to warrant their being promoted to the next grade. Of those who were promoted, a number were promoted for social reasons.

8. In August 1954, 240 adults were considered by a local committee to be incompetent to handle their own personal funds. The funds of 600 minor tribal members were held at the Agency for supervision. Almost 50 percent of the adult Klamaths then living on the reservation were not considered competent to handle their own funds at the time Public Law 587 was passed.

Information of this type is not pleasant. It must reflect upon some members of the tribe who are capable and qualified to handle the large sums of money which will come to them under Public Law 587. The truth is, however, that these persons are in the minority and that it would be a tragic social error to carry out the terms of Public Law 587 as it is now written. Section 15 of the law offers some protection, but, in my opinion, it is not nearly sufficient.

Sincerely,

ROBERT W. CHANDLER, *Editor.*

STATEMENT OF ROLLIN E. BOWLES, CHAIRMAN, LEGISLATIVE COMMITTEE, OREGON DIVISION, IZAAK WALTON LEAGUE OF AMERICA, INC.

Mr. BOWLES. Mr. Chairman, I appear here in behalf of the Oregon division of the Izaak Walton League, and I have a written statement which I will not take the time to read into the record, but supplement it with remarks in relation to some of the problems and some of the matters that have been raised here this morning.

Senator NEUBERGER. Without objection, however, the full text of your testimony will appear in the record along with your oral remarks.

Mr. BOWLES. I am Rollin E. Bowles, of Portland, Oreg., representing the Oregon division of the Izaak Walton League. I am immediate past president of that organization and presently its legislative chairman.

A year ago, October 18, 1956, I appeared before this subcommittee in Klamath Falls concerning discussions about Public Law 587 and our organization is somewhat flattered to find the recommendations that we made at that time now reduced to legislative form in S. 2047.

Since my appearance in Klamath Falls, we have had further opportunity to study this problem. In fact, we had the good fortune of having Mr. Wilcox and Mr. Watters at our last convention in Eugene in December of 1956 to go over this problem with us. Our attitude and approach to this problem hasn't changed fundamentally in that time.

Our studies indicate that the best solution in our opinion lies in that direction. We want the record to show, however, that it was not our organization that advocated the termination act in any degree. We took no part in that affair and probably we are living to regret it. Likewise, what we recommend here is not from any selfish motive on the part of any of our people, nor do we desire to deprive the Indians of anything that they have, but, being faced with a termination act as the law of the land, we feel it not only our right but our duty to appear and give expression to the experience, our studies, and our observations with respect to these matters.

Necessarily, our organization, whose motto is the wise use of all of our natural resources, is concerned with all phases of this program, not just the timber as an isolated thing or the wildlife that is on the

reservation, or any other phase of it. We are deeply concerned about these problems, and basically we are concerned about the water resource, since the reservation contains the area that provides the water flow for a great portion of the Klamath Basin and our organization had a good deal to do with the revamping of the Oregon water-resources law in 1955. Actually, we stimulated the legislation that led to that act. And any program that would in any way upset the balance in the water supply in an area that is already water short, most certainly is of something of alarm to us.

Since no matter how much land we have now where it may exist it is utterly worthless until you can get water on it, it is going to affect a great deal more than just the immediate land that is involved.

If Public Law 587 is carried into effect as now drafted, it is our firm conviction that it will be a cut out and get out policy on a relatively short-term basis. Because the reservation area, timber area particularly, being sold in relatively small blocks, the economic facts of life indicate that the purchaser will likely borrow money to some extent to finance his operation or purchase the timber and will have to liquidate the timber as rapidly as possible in order to keep the interest from eating him up. That inevitably is going to mean poor logging practice, and in a course pumice soil such as is found throughout the reservation area, this wil mean terrific erosive effects which will not lend themselves to reestablishment of timber or probably any vegetative cover there.

The potential aspect of the drainage of this large Klamath Marsh is also of considerable worry, not only from the standpoint of the tremendous program for migratory waterfowl, but likewise that provides the stability of flow for the Williamson River which is the principal stream supplying water in the Klamath Basin, and that marsh acts like a sponge to soak up water in periods of heavy runoffs, releasing it at the periods when it is needed most. If that marsh is drained, the sponge, of course, is gone, and likewise with it will go the tremendous productive capacity for migratory waterfowl.

Likewise, we call to the attention of the committee that in dealing with any waterfowl matters we are under treaty as a nation with Canada and Mexico concerning migratory birds, and that, too, must be taken into consideration, for we do not desire that those countries have the feeling that we are abrogating our treaty obligations to them concerning this very vital and important resource.

Now, lest we be misunderstood in this, we are not particularly concerned with whether or not there is ever any shooting for our people, any hunting, on this marsh. That concerns us much less than the fact that it is a place for these birds to nest, to brood, and particularly to rest on their southern migration.

In, I think 1955, but in the very recent past, we had an early flight of pintails out of the north into this country, and a late rice harvest in the San Joaquin Valley, and those ducks were there long before the rice was ready to harvest, and we practically had a civil war. And we know that if this great resting area that holds these ducks for a period of time while that harvest is progressing in the California areas is not maintained, that those ducks will be forced out of there into a depredation situation that the farmers can't tolerate and they are going to vanish from that source if from no other.

Now, our recommendations a year ago were that the Federal Government purchase this entire area. Naturally, we are pleased to see that most of the people have come around to that point of view. And even the Management Specialists, who made no recommendation as I recall at that time, and I can readily realize why they didn't, because the facts relating to a recommendation were not available in their hands, their recommendation now includes a number of the things of which some of the details we take issue with. And one of which is that there be a continuation of the hunting and fishing rights on the reservation in the presently enrolled tribal members, throughout their natural lifetime.

We disagree with that for the simple reason that that area at the present time is sadly in need of a game-management program, and if the hunting and fishing rights were continued no public agency would be authorized or justified in spending public funds to entertain a management program without the ability to control the harvest and the times at which that harvest could be conducted.

I am convinced, and we are thoroughly convinced of this; from experience in other areas in the State of Oregon and the Northwest generally, that if the tribal members, if this great reservation is acquired into public ownership by the Federal Government, use this in common with the other citizens of the State and Nation, that they will find once a program of game management such as is practiced now by the Oregon State Game Commission and has been practiced by the Fish and Wildlife Service and the Forest Service over a period of time, that their harvest of game animals and fish will substantially be enhanced over that that they are able to take at the present time even though they are limited in the time in which they can take it. For this area provides a tremendous opportunity for a game-management program.

We have gone one step further in our recommendations to this committee with respect to the purchase of lands. We feel that those Indians who have homesites and are practicing agriculture upon the reservation area should be of first consideration with respect to the repurchase of any of that land from the Federal Government. And if there are any grazing rights that are appurtenant to those agricultural lands, and we know that there is a great deal of grazing on the reservation at the present time, then those grazing rights should likewise follow the purchase of the agricultural land, the grazing rights to be administered by the Forest Service or such other public body as controls it.

In the event that the committee takes seriously the proposition of the reservation of the mineral rights, then those mineral rights should be exercised in accordance with the other laws that are on the statute books, because we have already gone through this difficulty of people acquiring mineral rights for the timber and also for other purposes completely unconnected with mining.

We feel that these rights here, that when a bill is passed, if it is, it should eliminate all of the treaty rights of the Indians except those specifically set out in the bill, because we know from experience here on the Columbia River with the construction of the Dalles Dam and Bonneville Dam, the Indians at The Dalles, and maybe rightly so, maintain that the fishing rights are still there even though they have been paid for by the Corps of Engineers, and that they still have the

right to hunt or to fish in their old and accustomed manners. It inevitably lends itself to litigation problems of which the solution may be beyond the end of the time when any of us can take part in it.

We feel that those rights should be terminated and determined in any program of this kind. We are not suggesting to this committee any manner in which this money should be paid because there are other elements and other people who are much more qualified than any of our membership to engage in a discussion of that. But this thing we do feel and feel strongly, that the primary obligation is to the Indians and that they should be paid by whatever method is devised to handle the problem the full amount of their appraised assets and that their consideration is of primary concern and they must be given first consideration.

However, no program should be instituted which is going to thrust these people into a community that may find itself immediately in economic difficulties by reason of a crash sale of assets such as the timber in an industry which is already in serious difficulty all over the State of Oregon and in other areas as well.

We feel that for the longtime benefits of the Indian people themselves it would just be to their best interest, and the potential of their being able to make their way in a community outside the reservation dictates that this entire area should be acquired by the Federal Government, because it is, it seems to me, and I have serious doubts that a private corporation will be able to finance or a series of them will be able to finance such an undertaking as this, or will be willing to.

I don't mean by that, nor is our organization welded to the program of public ownership. All we are doing is presenting here a view which we feel is best suited to the accomplishment of the purpose here. But we must have the guaranty that there will be a sustained-yield management practiced with respect to the timber, not only as to the growing of trees, but the maintenance of a stable water and soil condition.

We are firm in our belief that the upper Klamath Marsh must not pass from public ownership, not only by reason of its importance to the migratory waterfowl, but to the total available usable water supply in the basin, and we sincerely hope that our observations and views can be of material aid to the committee in its deliberations. Thank you, sir.

Senator NEUBERGER. Mr. Bowles, thank you very much. Of course, we are pleased that a group which has been so traditionally a leader in the realm of conservation as the Izaak Walton League is in support of a considerable number of the principles in the bill, S. 2047. Indeed, I well remember that you appeared at Klamath Falls, I believe, on October 18, 1956, and suggested a considerable number of the provisions which have since appeared in that legislation. Do you have any questions?

Mr. WOLF. Two. Have you heard the Weyerhaeuser Timber Co.'s proposal?

Mr. BOWLES. Yes; I have.

Mr. WOLF. What is your reaction, or do you wish to state it at a later time?

Mr. BOWLES. From the standpoint—and I state this, sir, from a personal view, and I am not stating the views of the organization,

because they have not had this proposal before them that they can consider it, and I state it from a personal viewpoint and without going into the program of subsidy or anything else, if we can be assured that, by the sale of this timber to any company, it will be managed in a sustained-yield policy looking toward not only the growing of trees but the maintenance of a stable water and soil condition, we would have no objection to that, I assure you, and our people, I am sure, would not.

There is, however, one other problem involved in that that we must given consideration to. And I don't want anyone to feel that I am raising the bugaboo of large octopus, let us say, corporations, but there are many small operators in the area that are dependent upon public timber sales for their operating ability, and that will in some respect curtail that potential to those people.

Mr. WOLF. Do you think it would be possible to write a covenant in that would effectively provide for sustained yield in a manner which wasn't constantly in litigation? In other words, would you have a Government inspector out there constantly debating with the company as to whether they were following what looked like a clear agreement?

Mr. BOWLES. Let me say this: As an attorney who has had some little experience at least in writing legislation, even before I became an attorney, I would hate a task assigned to me to attempt to draw either such a covenant or a bill containing it.

Mr. WOLF. I have one other question. If S. 2047 is not enacted and no alternative such as was suggested by Mr. Weyerhaeuser, what do you think should be done to rectify the situation that Public Law 587 has created?

Mr. BOWLES. Well, if Public Law 587 cannot be legally repealed, since the Senator has mentioned the fact that possibly vested rights have accrued by reason of it, then its date of termination—in other words, the time when this must be accomplished—has to be extended, and my own views of this, and they are off the cuff, I assure you, that that period should be extended for at least 40 years for the simple reason that you can't have a cutting cycle on a sustained-yield basis short of that period of time, and, certainly, if they are going to get the greatest amount of these small sales, as Public Law 587 apparently contemplates, then those sales should be so spaced and the areas cut small enough that a sustained-yield program will ensue by reason of the sale program.

Mr. WOLF. As I understand it, a 40-year cutting program would just be slow liquidation, not sustained yield.

Mr. BOWLES. Well, it would be slow liquidation, but, by reason of the slowness of the liquidation, you can bring about sustained yield. In other words, we will cut a 10-acre patch over here on the northeast corner this year, and we will take one out of the southwest corner of the same, and so forth; as you see, patchwork. I am thinking of it in what we know in this country as a patchwork cutting, and the reseeding process will take place from the natural reseeding around it, and you won't have an area of such size cut out that you are going to suffer the terrific erosive effect that will prevent that natural reseeding.

Mr. WOLF. I have been led to believe that patch cutting isn't practicable in that area.

Mr. Bowles. That may well be; I am not qualified to argue that point, I assure you.

Senator Neuberger. Mr. Bowles, as I gather it, it is the opinion of the Izaak Walton League that, if a fair market price is paid to the Indians for these assets, this price should then extinguish their ancestral fishing and hunting rights on the reservation.

Mr. Bowles. Yes, sir.

Senator Neuberger. Do you think that they should then come under the same fishing and hunting regulations and laws as any other citizen of the State of Oregon?

Mr. Bowles. That is quite our feeling. I might qualify that to this extent: that our organization, I am certain, would be willing to sponsor some legislation and help bring it about that would provide and make available to the enrolled people of the tribe at the time the termination was completed a license at a reduced fee such as we have for disabled veterans or people over 65, and there are several classifications that receive those. The license revenue is not something about which we are concerned. The program is one of an advance game-management program; that is what we are trying to achieve.

Senator Neuberger. Once a fair price has been paid for the assets of the reservation, it is the opinion of the Izaak Walton League that the Indians should not have the special hunting and fishing rights beyond those enjoyed by any other citizen?

Mr. Bowles. That is right.

Senator Neuberger. I am very interested to have that opinion from the Izaak Walton League. I know you people have studied this very seriously, and I do share your view to this extent: that it seems to me very difficult to enforce game-management laws on others if there is a group that is enjoying and exercising other privileges. I would not want to see any such restriction on the Indians, however, unless I were assured they had been paid a fair price for what they were relinquishing.

Mr. Bowles. We most certainly want that made clear: that there is no desire on the part of any member of our organization that I know of to take anything from the Indians without adequately compensating them for it, no matter what.

Senator Neuberger. I am sure you feel that way.

Mr. Gamble. Mr. Bowles, how would you propose paying the individual Indians for the loss of those rights?

Mr. Bowles. That is a problem that I am not competent to say. Those rights are like any of the others; they are somewhat intangible. The same situation with respect to the timber. I think they can be assessed. There are people competent in the field to determine. There were, with respect to the fishing rights that were lost to the Yakima and other tribes, and they arrived at a determination of those. Now, what formula they used, I am not competent to say, but I think they can be determined and should be, but I am convinced that the loss of those rights in the Klamaths, if a game-management program such as we have in the State here is instituted, that their use of the hunting and fishing rights in common with the rest of the citizens of the State and Nation, that they will be able to harvest a greater degree, harvest a greater amount of game and fisheries resources with a relatively short period than they are outside of those common rights that all of us are entitled to elsewhere.

Mr. GAMBLE. Thank you.

Senator NEUBERGER. What was paid for the Celilo; about $23,700,000, something like that, by the Corps of Engineers?

Mr. BOWLES. The last figure that I recall, Senator, was something over $15 million. Now, I don't know. There were some outstanding claims that had not yet been settled, and it may eventually reach that. I know that the figure was discussed at $20 million in the original instance.

Senator NEUBERGER. Mr. Gamble says he thinks it is $21 million, bnt we can get that exact figure. Mr. Bowles, thank you for the very informative and instructive suggestions you have made, and your full statement will be inserted at this point.

(Mr. Bowles' full statement follows:)

PREPARED STATEMENT OF ROLLIN E. BOWLES, CHAIRMAN, LEGISLATIVE COMMITTEE, OREGON DIVISION, IZAAK WALTON LEAGUE OF AMERICA, INC.

My name is Rollin E. Bowles, Portland, Oreg., and I appear here in behalf of the Oregon division of the Izaak Walton Leagne of America. I am past president of the Oregon division and presently chairman of its legislative committee.

As this committee knows, I appeared in behalf of the same organization at its hearing concerning Public Law 587 on October 18, 1956, at Klamath Falls. At that time I assnred the committee in behalf of onr organization that we songht nothing at the expense of the Indians themselves and our view in this respect has not changed in the slightest. We feel that the paramonnt consideration to be given in this matter is the welfare of the Indian people.

At the hearing of October 18, 1956, I recommended to this subcommittee on behalf of our organization that the entire reservation area shonld be acquired by the United States Government with the timber areas being attached too, by becoming a part of the Klamath and Fremont National Forests, and that the marsh areas which are a part of the Indian reservation be established in a wildlife management unit to be managed preferably between United States Fish and Wildlife Service, Department of the Interior, or such State organizations as wonld best maintain and enhance the wildlife valnes inherent therein. This proposal has been reduced to legislative form in S. 2047.

During the intervening period since October 18, 1956, the views of our organization have, if anything, strengthened with respect to the rccommendation of that time. It has been the good fortnne of our people to have made a survey of some of the area as a group. Members individually have had additional opportnnity to see the area and go over part of it on the ground. We have also had consultations with the Management Specialists concerning the entire problem. Our recommendations to this committee in 1956 were based in part upon the following factors:

1. If the Indian people are to achieve a successful existence outside of reservation statns, they must not be thrnst into a commnnity that is in economic distress as a result of the depressed timber prices.

2. If the reservation is broken up, as is contemplated by Public Law 587 and sold in small blocks, it will necessitate the immediate logging of the entire area by reason of economics alone, thus bringing about depressed timber prices in the Klamath Basin and depressed prices actually for the timber that is being sold. The Indians who wish to leave the reservation will be thrnst into a community that is in economic difficulty and find themselves unable to become incorporated into community life, and the funds they receive from their share in the sale of the reservation assets will not likely be sufficient to maintain themselves in any degree of stability and economic independence, unless supplemented by ontside income. Thus, the sale of the assets of the reservation will be a twofold blow to the Indians themselves.

3. Studies indicate that some of the Indian people do not desire to be removed from the reservation status, and if a proportionate part of the reservation timber assets are maintained for the benefit of the remainder, which is calculated to be in the neighborhood of 30 percent, those Indians still remaining in reservation status will likewise be detrimentally affected by reason of timber prices, upon which they are at present, and, for the most part, in the future will be dependent for their existence.

4. A program of cutting such as will follow if Public Law 587 is carried into effect as presently written will inevitably have a serious and possibly catastrophic effect on the economy of the Klamath Basin and all of the people who reside there. Those people who are directly connected with the lumber industry will, of course, be affected at once. Unemployment, with all the attendant miseries, can readily be envisaged by flooding the market with upward of 3 billion board-feet of ponderosa pine timber in a relatively small area which depends for stable economic activity upon an industry which in Oregon is already beset with many difficulties. A longer term effect is inevitable in the farming community which is dependent, for the most part, upon irrigation and the water resources for the production of crops. When the pine timber is rapidly removed from the area there is bound to follow a decrease in the usable water supply in an already water-short area. The soil in the Klamath Reservation is of a coarse pumice type and the timber is the binding element that holds this soil in place. If this timber is gone, the soil will be subject to heavy washing in periods of high runoff, the water escaping at times of the year when it is least needed, and being totally absent in times when most needed. Once this erosive effect begins, the possibility of reestablishing ponderosa pine or other timber species is almost impossible to obtain.

Under the management that has been practiced on the Klamath Reservation by the Indian Forest Service of the Department of the Interior, a stable soil condition has been maintained, even though extensive logging has been conducted over a long period of time. The timber management has been predicated upon a sustained-yield philosophy both as to timber and water. The Klamath Reservation controls the watershed of Williamson River, Lost River, and other streams vital to the water supply of the Klamath Basin, and unless these supplies are maintained in a somewhat constant condition the economic condition of those agricultural pursuits dependent upon irrigation water is in extreme jeopardy. Plans have already been discusssed looking toward the draining of upper Klamath Marsh, which is the headwater of Williamson River, the most important water source of the entire basin, and practically all of which is controlled by the reservation. If this marsh were drained it would not be possible for it to act as a sponge which soaks up the water during the periods of heavy runoff to release it slowly into the Klamath Lake throughout the entire year, making it available to the agriculturist at times when his crops need it the most.

It is not difficult to see what the effect of drainage is likely to be, for on the west side of Highway No. 97 we find a pumice desert growing sagebrush, some lodgepole, and jack pine, but providing little forage for cattle or other animals. On the east side of that same highway the stable marsh condition existing at present provides a lush pasture which offers forage for cattle in great numbers. Likewise, this great marsh provides nesting, feeding, and resting grounds for many thousands of waterfowl using the Pacific flyway. In fact, it is one of the key segments in the Pacific flyway system and must be maintained if we are to maintain a stable population of migratory birds throughout the Western States.

Approximately 80 percent of all the migratory birds using the Pacific flyway are at some time of the year to be found in the Klamath Basin. Reclamation of the lands in the lower basin, as well as many of the marshlands around Klamath and Agency Lakes have restricted the availability of suitable nesting and brooding areas to an absolute minimum for maintenance of stable populations of migratory birds. Upper Klamath Marsh is a vital segment of this program. The highest brood counts of waterfowl in the United States are annually recorded in this marsh. In the event the marsh should be drained or its use to the waterfowl denied, the early migrations of pintails and other ducks would be forced into the highly productive agricultural areas of central and southern California, where crop depredations would result in the elimination of substantial numbers to the detriment of a flyway and waterfowl populations that are now in an extraordinarily fine condition: in fact, the best of any of the four flyways in the United States.

It must be remembered in any problem in which migratory birds are a consideration that the United States has treaties with Canada and Mexico relating to this subject and no action should be taken by the Government that will lead the Governments of Mexico or Canada to feel that the treaties have by indirect means been abrogated, which could well be the case here.

This great marsh is not at present fulfilling its highest potential because it is not under an active management program since it is inside the reservation

area. Any hasty act seeking to relieve the United States Government of its responsibility to the Klamath Indians without proper consideration being given to all of the attendant factors and the wide ring of effect that a determination might have upon other people and natural resources could bring disaster not only to those immediately affected but potentially to the Indian people themselves. The water resources must be protected and in order to do this the timber stands on the reservation must be utilized and harvested with the water resources a definite consideration in any harvest plan. This cannot be done in a program that envisages a relatively small acreage sale which will, by virtue of the economic facts of life, make sustained yield impossible.

The marshlands which provide a stable waterflow throughout the irrigation season are likewise a vital element in the water stabilization program in the Klamath Basin and any termination program must take these factors into consideration in view of the effect that they inevitably will have on the overall economy of the people in the area as well as upon the Indian people themselves.

Recently the management agencies employed by the Secretary of the Interior to develop a program in conformity with Public Law 587 have suggested a plan which is fundamentally the same as was suggested by our organization in October 1956. Some of the details of that plan we object to. The suggestion that the hunting and fishing rights be continued in the presently enrolled tribal members throughout the natural life we cannot agree with since the potential of this great area cannot under such a program be realized for wildlife purposes as no public agency would undertake a game and fisheries management program under such circumstances. Such a program is sadly needed in the area and the tribal members themselves, if utilizing these resources in common with the rest of the citizens of the State and Nation will soon find their harvest of game and fish substantially enhanced over present levels as the result of a management program of the various agencies of the State and Federal Governments.

Experiences with situations such as proposed by the Management Specialists, of retaining certain rights in the Indians, are already a matter of record in this area. They stem from the construction by the Corps of Engineers, United States Army, the Bonneville and the Dalles Dams. Certain fishing rights were guaranteeed to the Indians by Government agencies in lieu of sites that were flooded by construction of Bonneville and the Indians at The Dalles contend that their fishing rights established by treaty at Celilo Falls are still in existence irrespective of the fact that substantial sums—several millions of dollars—have been paid to them by the Government as a result of the construction of the Dalles Dam. These questions lend themselves definitely to litigation and difficulty as would any comparable situation with respect to the Klamath Reservation. In the interests of settling any potential controversies, and getting on with a badly needed management program of the wildlife and fisheries assets of the area, it would be far wiser to terminate all such rights should the United States purchase the reservation lands. All treaty rights stemming from the treaty that established the Klamath Reservation should be completely eliminated with the exceptions specifically noted in the legislation itself.

We do favor, however, the right of the tribal members to purchase those lands now within the reservation which are used for either home sites or agricultural purposes. The Indians themselves should have the first right of purchase of these lands, those Indians occupying the lands being given first consideration. Likewise those Indians presently holding grazing rights in conjunction with other agricultural lands should be given first preference on the grazing lands. All water rights appurtenant to the agricultural lands should pass to the purchasers with the land and be registered with the appropriate State authority so that subsequent withdrawals of water would not affect the present users. Such mineral rights as may be reserved to the tribe for any period of time should be exercised only in conformity with the existing laws of the State and Federal Governments in connection therewith. This position is taken in view of prior experiences that have been found detrimental when mining claims were taken for timber or small home sites or for the water resources in connection therewith.

It must be thoroughly understood by this committee that our program is not by our recommendations here attempting in any way to criticize any person or group but only for the purpose of presenting our views that we might fulfill our function in helping to preserve for posterity as well as those presently

concerned some of the natural resources upon which this Nation will be dependent for its existence into a future beyond which none of us will be able to take part.

It is our firm belief, after the studies we have made and in viewing this situation at substantial length that the entire reservation, as has been previously suggested, should be purchased by the Federal Government with the exceptions that we have noted here. We wish again to reaffirm our previous statement that there is no desire on the part of this organization to in any way deprive the Indians of anything that they have. They are entitled to receive full value for the reservation assets and their welfare must be, of course, the first consideration, but we feel that the program that we have here outlined will be in the long run to the best advantage of the Indians themselves and will have the least detrimental effect to all persons concerned. We can predict from the policies that we suggest here, from experience in this field and other areas, that many of the potential values that now exist in this reservation can be more fully realized to the benefit of all people, including the Indians.

Senator NEUBERGER. Our next witness is Dr. John A. Rademaker, who is professor of sociology at Willamette University in Salem, Oreg.

Before Dr. Rademaker commences his testimony, I just want to note that the subcommittee has received a telegram from Martha Ferguson McKeown, noted Oregon authoress and school teacher who has written extensively on Indian problems and on the communal tribal life of the Indians, informing us that she will be unable to testify today because of the serious illness of her husband. We regret the reason for Mrs. McKeown's absence and we wish to Mr. McKeown a complete and early recovery. Mrs. McKeown's telegram will appear without objection in the record at this point.

(The telegram referred to is as follows:)

Senator RICHARD NEUBERGER,
1910 Southwest Clifton Street,
Portland, Oreg.:

Your telegram received. Tried to phone you through your office. Impossible for me to attend Indian Affairs Subcommittee hearing October 4. Archie seriously ill. We have picture documented Columbia River Indian information available. Our concern deepened for the nonreservation Indians of the gorge.

MARTHA FERGUSON MCKEOWN.

Senator NEUBERGER. Dr. Rademaker, we are glad you are here.

STATEMENT OF DR. JOHN A. RADEMAKER, PROFESSOR OF SOCIOLOGY, WILLAMETTE UNIVERSITY, SALEM, OREG.

Dr. RADEMAKER. Thank you, Senator Neuberger. I want to express my appreciation to all Members of the Congress for the passage of Senate bill 469, which has postponed completion of the action of Public Law 587. In my view, this action has made possible the avoidance of great injury to the men, women, and children of the Klamath Falls Tribe, and also of the entire State of Oregon. But the delay which has been made possible through passage of Senate bill 469 will be of little value unless we make good use of the time thus gained. The question before us is, then, what can we do between now and next July, in all probability, to improve the situation with regard to terminating Federal trusteeship over the Klamath Falls tribal members.

It is extremely difficult to chart a clear and effective solution. It may help to clarify the situation if we review the objectives which should be attained by any further acts of the Congress. A sound and

desirable solution would answer the following criteria affirmatively.

I am afraid there is going to be a good deal of repetition here, because Mr. Chandler and a number of others have very cogently stated a great many of these same ideas.

Senator NEUBERGER. Repetition adds emphasis, particularly from illustrious citizens of our State, Mr. Rademaker, so continue.

Dr. RADEMAKER. Thank you. First, it must help the members of the Klamath Falls Tribe to contribute constructively to the living of their own lives in the light of their just expectations and aspirations, in full view of past history and the obligations and opportunities which it has awarded or assured, and in view of present possibilities of growth toward final competence as free and equal citizens, and equal opportunities to exercise that competence.

We must point out that many members are already fully competent, but that past experiences have failed to provide many other members with training, education, and skills adequate to enable them to meet confidently and successfully the competition which they will encounter in a free society without help from responsible governmental agencies. Assuming that the ultimate goal for all is real competence to live as any other citizen would live, with skills, knowledge, and understanding which would enable them to be successful in business, industry, education, social activities, and the professions, how can those who are not now competent be aided in becoming so?

Some persons have stated that the per capita allotment system was bad, because it robbed the Indians of incentive to get out and work for a living. There is more to it than this, however, for we have not heard these same persons complaining about Nelson Rockefeller, Edsel Ford, and many others who had even less incentive to get out and work for a living which their ancestors' efforts had already provided in generous amounts and ample quantity. Personal responsibility and practice in exercising it helps, but only if it begins under adequate and benevolent supervision, with adequate educational background and information. Then we can proceed to greater and greater degrees of responsibility with success. This cannot be done in the short space of 2 years, even though our present efforts at education are more effective and work faster than in the past, thanks to Harvey Wright's efforts and the work of local school people and some of the neighbors of the Klamaths. Trips off the reservation, and encouragement to youngsters who are growing up to be given the experience of living in an adequate and friendly home whose members take time to help these youngsters to acquire the understanding and the skills they need, will help greatly, and they both require cooperation from non-Indian citizens of our State.

I suspect that some sort of selective graduation process will be needed to provide the insights and training, and to award increasing degrees of self-dependence to go with the insight. Services of educators and social workers will be needed to effect this without prejudice and with a wholehearted concern for the most rapid sound progress possible for each family. And this implies that when any family has achieved a given degree of competence, that it will be given, enthusiastically and ungrudgingly, the rights and freedom which go with it—and this includes the families which are wholly competent today. This makes it even more complex of a problem than many people have supposed.

Such a program will need incentives to encourage the members of the tribe to work toward competence. Fortunately, most of the members are young and will respond to educational encouragement. For some, the influence of family and friends will make them reluctant to use their educational opportunities. Where the home is so sadly disrupted and incompetent that progress is impossible, foster home placements may be necessary, or at least helpful. For most, social casework services by competently trained personnel will probably be adequate.

Some errors and failures must be anticipated, but under an adequate plan and program, significant progress can be expected even within 2 years, though some families will take many more. Whether such a comprehensive program can be attempted best by Federal agencies, or by agencies of the State of Oregon is a matter for discussion, perhaps; but it would be wise to assume that the Federal Government would bear the greatest part of its cost. Cooperation from all agencies should be urged and can be assumed to be forthcoming.

In the meanwhile, it seems necessary to provide some protection to members of the tribe who are not yet competent to withstand the currents of competition in our culture, and to safeguard them from being fleeced of their assets, and exploited to their cost and to the ultimate cost of the community which would have to sustain them if they became deprived of their resources and incomes. Legal restraints with regard to guardianships, the amounts of legal and other fees charged for transitional processes, and restraints upon the sale of resources for inadequate prices will be necessary. Again, however, while these measures are needed to protect some members of the tribe, it would be an imposition and a slowing down of progress to require the more competent members to live under the same restrictions.

Second: A second objective should be to enable members of the Klamath Falls Tribe and other citizens of Oregon to cooperate in the fruitful use and conservation of the natural resources of the Klamath Falls region, for the mutual benefit of the people of the whole State and Nation. Several plans have been advanced for the attainment of this objective. There is a possibility that a cooperative economic enterprise might be established, such as that which the Zuni Indians attempted successfully some 10 years or so ago, or more. The divisions and differences of groups within the tribal members who reside on the reservation, and also those who have left the reservation in some cases, are very sharp, deep, and appear at the moment to be very difficult, if not impossible to reconcile to the extent necessary to make such a cooperative enterprise work successfully. I have some experience in this and it takes a good deal of agreement before you can make the process work effectively.

There is a clear necessity, for the welfare of all members of the tribe and other residents of the Klamath Falls region and persons engaged in the lumbering trade throughout the United States, that the magnificient forest of Ponderosa pine be continued to be developed under comprehensive, long-range, sustained-cut plans. This will bring the greatest profit to the members of the tribe (greater than would result from many sales in a short period of time to realize enough

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cash to pay off the claims of the members who want to terminate their tribal relationships), and at the same time prevent the clear-cutting in a year or two of the majority of the stand of timber, and subsequent reduction of the Klamath Basin to a dust bowl. There is no good reason why every family of the tribe should not continue to receive indefinitely an income equal to what they now have from per capita payments from timber sales, if this resource is handled constructively.

As I understand it, Senate bill 2047 does this. It provides that the United States Government should add the forest lands to the National Forest area, paying those members who wish to withdraw in the form of bonds maturing in several successive years, perhaps, and encouraging members of the tribe to continue to maintain an interest in as large a part of the forest as possible, to be cared for by the United States Forest Service much as the Forest Service already cares for forest resources of Corvallis and other cities of Oregon. The proceeds from each successive year's cutting would be returned to the members of the tribe even as proceeds are paid into the Corvallis and other city treasuries.

Perhaps this isn't the basic plan of the bill; perhaps it might be a good idea to consider. I didn't really know. I haven't read the bill very carefully as yet.

A definite plan of this kind will do much to convince many members of the tribe that they will not ultimately lose everything if they do not take whatever they can get now. Some competent families, including those who no longer live on the reservation, will prefer to withdraw from the enterprise and take their assets anyhow, but the more secure and definite the plan worked out is, the more members will be willing to stay with the community enterprise possibilities, and extricate themselves at a slower rate.

In the long run, since the costs of operating the forest thus will necessarily include a long-time amortization of the cost of acquiring the forest as well as operating it, this plan would cost the people of the United States little, and would give them much in the form of a stabilized lumber production and market, maintenance of Klamath Falls Basin as a fertile and productive area, and lower taxes to support the members of the tribe who would need public assistance after losing their shirts to the not-so-Christian non-Indians who would be only too happy to elbow their way into a share of the prosperity and future prospects of the Klamaths, without giving commensurate services or value in return.

It may be argued that so much money—and I think the estimates are that it would take about a hundred million dollars—could not be spared from the Federal Treasury at present. I doubt this greatly. Certainly the costs, if something of this sort is not done, will be terrifically greater, in terms of loss of fertile soil, loss of timber, loss of wildlife which rests and nests in the marshlands, and most important of all, the loss of the human personalities of Indians and non-Indian residents of the Klamath Falls Basin who will stand to lose their livelihood, the verdant greenness and freshness of the area as a desirable place to live and work, and their confidence in the government of Oregon and of the United States, particularly, to help them solve this problem with justice and humanity. It would be a regrettable calam-

ity if these losses were permitted to occur because of the manner and timing of the termination of tribal status for the Klamath Falls Indians. It is something which the United States cannot afford to let happen. But it will happen unless a plan such as Senate bill 2047 is enacted and put into force before the termination of the tribal status of these people proceeds very much further.

I should like very much to see the marshlands and the forest of the Klamath Falls Reservation preserved for the use of all Americans, and preserved under conditions which will discharge our moral obligations to help every member of the Klamath Falls Tribe to accept a status of self-reliance successfully because we have given him the proper support and preparation to enable him to succeed. The goal is not to relieve the Klamath people of their assets and incomes in the mistaken belief that they would waste them in many cases anyhow, but rather to help them learn to use their resources constructively for themselves, and for others affected by the use of these assets, and to help them secure even more assets by using and developing their potential skills and their resources more effectively. The program proposed under point 1 above, together with Senate bill 2047, would go a long way toward doing this.

If this proves impossible, the State of Oregon bears a responsibility in this issue which it cannot evade even if the Congress fails to act in passing Senate bill 2047. In that case, it should be made one of the State's foremost aims to preserve intact the happiness of the people and the usefulness of the area. This could be done in considerable measure by investing some of the State's funds in this timber and land much as Senate bill 2047 proposes that the Federal Government should do, and under much the same kind of program, objectives and safeguards. Combined with the plan of the Management Specialists, this would preserve the most vital parts of the area for continuing revenue from sustained-yield management. The responsibility lies first upon the Congress, for this is a national treaty, but we must remember that we, as a state, have also responsibility to help ourselves and our Indian citizens in such a crisis.

The State has already accepted much of the responsibility and cost of this transition for education, law enforcement, public assistance, child care, health, and so forth. If it must accept much more of the costs, the investment of surplus State funds in the people and resources of Klamath Falls would be an exceptionally good way to do it.

I reiterate, however, I feel that it is definitely the responsibility of the Federal Government. This is its field; it should take care of it.

Senator NEUBERGER. Dr. Rademaker, thank you for that very excellent statement. I well know, and I think the record should indicate, that you were one of the moving spirits of a very valuable conference held on the campus of Willamette University under your auspices and that of Oregon Council of Churches last September 1956, I believe. If I am not mistaken, this conference brought forth some very helpful suggestions dealing with Indian matters in general and the fate and destiny of the Klamath Tribe and its resources in particular. I think many of the proposals which came forth under your leadership appear in this legislation and in other ideas that have been proposed at both the State and National level.

I want to make clear one thing: that my bill, our bill, Senate bill 2047, does not deal with one matter which you and Mrs. Platt and Mr.

Chandler have all raised in a very instructive manner, and that is with respect to how the assets should be distributed to the various tribal members and in what manner they should receive the reimbursement to which they are entitled.

Senate bill 2047 does not go to the heart of this. Perhaps it should; perhaps it shouldn't. It is a matter of judgment and of legislative strategy in a question such as this. I did state after Mr. Chandler's testimony and at the time of Mrs. Platt's testimony the reasons why it does not take up this further problem, but I am grateful to you, to Mrs. Platt, and Mr. Chandler for raising this issue, and grateful to you for the way you have pointed out the need to protect the personalities and the human values that are at stake in this issue. Mr. Wolf, do you have any questions?

Mr. WOLF. No.

Senator NEUBERGER. Mr. Gamble?

Mr. GAMBLE. No.

Senator NEUBERGER. Thank you, Dr. Rademaker, for a most helpful contribution. I think your considerations in favor of excluding this as one of the parts of S. 2047 seem to me very reasonable, and perhaps this is part of the legislative strategy that will help put it over.

Dr. RADEMAKER. I certainly hope so.

Senator NEUBERGER. Well, I just don't know whether it will help put it over or not. It faces a long struggle and there are difficulties ahead and before it ever is considered we are going to consider collateral and alternative suggestions such as that made by Mr. Weyerhaeuser and his associates, but we are grateful to you for your very fine contribution and very thoughtful statement.

Dr. RADEMAKER. Thank you for the opportunity to be here.

Senator NEUBERGER. Our next witness is Mr. Glen A. Wilkinson, who, I believe, is the attorney for the Klamath Indian Tribe. Mr. Wilkinson was not originally listed as a witness but indicated to me during the noon recess that he would like to make a statement which he believes would be helpful for the subcommittee and for the record. Is that correct, Mr. Wilkinson?

STATEMENT OF GLEN A. WILKINSON, ATTORNEY, KLAMATH INDIAN TRIBE

Mr. WILKINSON. Mr. Chairman, that is correct. My name is Glen A. Wilkinson, Washington, D. C. With Mr. J. C. O'Neil, of Klamath Falls, my firm represents the Klamath Tribe.

As you have indicated, Mr. Chairman, I felt that although this is a collateral issue, and I apologize for taking time, I felt that perhaps I owe it to the subcommittee to give my version of the events which transpired prior to the enactment of Public Law 587 in view of the fact that that subject has come up on several occasions during this hearing.

Our firm was retained on June 1, 1954, by the Klamath Tribe. We had previously represented the tribe for a number of years, but had not done so from approximately 1950 until June 1, 1954. At that time S. 2745 was pending before the Congress. The bill was then before the House committee, or reached the House committee shortly thereafter.

At that time Mr. Boyd Jackson and Mr. Jesse L. Kirk, Sr., were representing the Klamath Tribe in Washington. Likewise, Mr. Wade Crawford, a member of the tribe, now a member of the executive committee, and I believe a member of the executive committee at that time, was likewise in Washington doing work with respect to the Klamath Termination Act.

Commencing mid or late June of 1954, Mr. Jackson, Mr. Kirk, and I met in a series of conferences with officials of the Bureau of Indian Affairs, the Department of the Interior, and representatives of Senators and Congressmen involved in work of the two Interior and Insular Affairs Committees. The conferences nearly always involved what I shall designate as the Klamath official delegation, namely, Messrs. Jackson and Kirk, and Mr. Crawford, who likewise was represented by counsel. We were not able over a period of perhaps 2 or 3 weeks to come to complete agreement on a revision of S. 2745, which at that time seemed unsatisfactory to both factions then represented.

We had a final conference in an anteroom off the House committee hearing room during the morning on which the House committee was having its final meeting of the session. In that conference were several representatives of the Department of the Interior, Congressman Coon, Dr. Taylor of the House committee staff, Mr. Jackson, Mr. Kirk, Mr. Crawford, myself and, as I recall, Mr. Littell and Mr. Alexander, who were counsel representing Mr. Crawford and his viewpoint. At that meeting the version which became Public Law 587 resulted.

Senator NEUBERGER. It had not previously been in the bill?

Mr. WILKINSON. No, sir.

Senator NEUBERGER. The version providing for the withdrawal and the liquidation of assets to compensate the withdrawees? Is that to what you are referring?

Mr. WILKINSON. That is correct; yes, sir. I must be fair, however, and state that that provision had been included in one form or another in several drafts which had been prepared over a matter of approximately 2 weeks prior to that meeting and which drafts had been considered by members of the tribe, their attorneys, officials of the Department of the Interior, and others.

Senator NEUBERGER. But it is correct, as was claimed by certain witnesses at Klamath Falls, that that particular provision relating to sale of assets and withdrawals had not been included in the version which was made the subject of hearings at Klamath Falls and elsewhere regarding termination?

Mr. WILKINSON. That is correct; yes, sir. That first appeared in the act, a copy of the bill which is dated July 23, 1954, and which was reported by the House committee on that date.

Now, because of the conflicting viewpoint within the tribe as represented by the delegates, this was a compromise. However, and as has been stated, the official Klamath delegates and I did accept the version and so advised the House committee on the day the House committee took its action.

Many people have asked why we did this, and there were 2 or 3 strong motivations which I think the subcommittee should know. First, beginning approximately 1948, the Klamath Tribe officially had supported a voluntary withdrawal bill. We were never able to

get action on that by Congress. There were at least two reasons which prompted that action.

First, unknown numbers of the tribe desired to be paid their pro rata share and to cease tribal activities. A liquidation bill which had been before Congress didn't get anywhere, and this was a possible compromise. Mr. Crawford represented the faction which wanted to withdraw. The faction then represented by the official tribal delegates wished, first, to give him and his followers, if any there were, that opportunity.

A second strong factor behind that was the consensus of the other members of the tribal governing board that Mr. Crawford and perhaps a few of his followers represented a disquieting influence in the conduct of the tribal affairs; and the others felt very strongly that, if a method could be provided whereby Mr. Crawford and a few others could be allowed to withdraw, tribal business could be conducted in a calmer and more efficient manner.

In our conferences we supported that provision, but we sought to have a provision whereby a withdrawing member would receive something less than 100 percent of the pro rata share. We were not successful in that effort.

Another factor which motivated the official delegates in agreeing and instructing me to agree to the version which came out of the conference I have mentioned was the fact that this bill contained a provision for payment of a $250 per capita payment. That had originally been sought as separate legislation. We were not successful in obtaining action on that as separate legislation and it was merged in the termination bill. There was considerable pressure on the delegates from their constituents at home, in the form of telegrams, letters, and I think even telephone calls, that the need on the reservation, or at least the desire, was such that they wished the delegates to agree to some reasonable form of termination in order to obtain the $250 payment.

Senator NEUBERGER. Let me ask you this: You were present at Klamath Falls when Mrs. McAnulty stated that it was her belief that some of the acceptance of the final version of the termination bill originated in the merging with that bill of the $250 payment; do you think Mrs. McAnulty was correct to that extent?

Mr. WILKINSON. Yes, sir. I think that was a very strong reason for tribal agreement to this bill.

Senator NEUBERGER. I would like to ask you this question, Mr. Wilkinson. I am putting this question to you in your capacity as attorney for the tribe. One of the reasons I am asking some questions is that I am seeking information, and also I have certain opinions. As you know, I was not a Member of the Congress when these events transpired. Do you think it was sound practice to allow the fate of legislation this sweeping, this comprehensive in its impact on Indian and non-Indian alike to be influenced by the inclusion of something like that $250 per capita payment in it?

Mr. WILKINSON. No, sir. I didn't think so then and I haven't changed my mind. But, as you know, it is not always possible to arrange what you like in this field particularly.

Senator NEUBERGER. I realize that, but I felt that your opinion in your capacity as attorney for the tribe, and you have been in that

relationship for some period of time—I think you should put on the record how long you have been their attorney just so that we can show that your relationship is out a fleeting one and that you have represented them for some period.

Mr. WILKINSON. My firm, or predecessor firm, represented the Klamath Tribe from approximately 1945 to 1950 and again from 1954 to the present.

Senator NEUBERGER. So you or your associates have had extensive experience with this tribe.

Mr. WILKINSON. Yes, sir.

Senator NEUBERGER. Ever since I first became interested in this question, and I have talked to Indians and non-Indians alike in the Klamath Falls community and that has been over a period of years, I have been very disturbed by the relationship, by the apparent relationship of this $250 per capita payment to the sweeping revision which was made in the bill at the 11th hour, and I gather that you share that feeling of disturbance and some alarm over what happened.

Mr. WILKINSON. That is correct, Mr. Chairman. However, I want to say this: Although I think that was an extremely strong factor involved in the adoption of termination legislation, I don't think it necessarily contributed to the adoption of section 5 as we now have it in Public Law 587. I think that, and as we felt at that time, that some form of termination legislation would have been passed by Congress during that session.

Senator NEUBERGER. Would it have included section 5 as finally written?

Mr. WILKINSON. I think it would not have, Senator, except for agreement by the two factions representing the tribe. That is my opinion.

Senator NEUBERGER. Mr. Gamble, were you with the Indian Affairs Subcommittee of the Senate at that time?

Mr. GAMBLE. No, I was not, Mr. Chairman.

Senator NEUBERGER. You were not either, were you, Mr. Wolf?

Mr. WOLF. No.

Senator NEUBERGER. Please go ahead.

Mr. WILKINSON. Now, I have stated publicly before that based on what we thought at that time, namely, our uneducated guess was that perhaps something up to 5 percent of the tribe would desire to avail themselves of the opportunity to withdraw voluntarily under the terms of the bill.

Senator NEUBERGER. You never anticipated the 70- or 75-percent figure that is included in the Stanford Research estimate?

Mr. WILKINSON. Not by any stretch of the imagination. Now, based on what was a very poor guess on our part at that time, I think that under the circumstances we were justified in agreeing to most of section 5: based on what has been discovered lately and assuming that the sample by Stanford Research is adequate, we must acknowledge that we made a terribly bad guess, and based on that I have acknowledged publicly and I acknowledge again that that was a very tragic mistake.

Senator NEUBERGER. Mr. Wilkinson, who proposed the specific language that finally went into section 5?

Mr. WILKINSON. It was a matter, Mr. Chairman, of several drafts which passed between me and the official delegates, attorneys for Mr.

Crawford, representatives of the Department of the Interior, and members of the legislative committees' staffs. Now, Mr. Crawford said that he originated it. That may be; I cannot recall at the moment, although I do acknowledge that it was adopted from the principle which was contained in voluntary withdrawal bills pending before Congress in 1948 or 1949 or thereabouts.

Mr. GAMBLE. Was that 1948 withdrawal bill submitted at the request of the tribe?

Mr. WILKINSON. Yes, sir.

Mr. GAMBLE. That is all.

Mr. WILKINSON. That bill differed in two important respects from what became section 5 of Public Law 587, namely, it did not give a withdrawing member a 100 percent pro rata share payment; and also it left in the general council of the tribe the authority to make available such amount of funds as the tribe desired to pay off withdrawing members so that in that manner the tribe would have a check on the amount of funds used for that purpose.

In the discussions prior to adoption of Public Law 587, we were unable to obtain an agreement of other factions represented to such provisions as those.

That is all I have, Mr. Chairman. If you have any questions I will try to answer them.

Senator NEUBERGER. Go ahead, Mr. Wolf.

Mr. WOLF. Have you ever heard of the existence of a power of attorney agreement that promises some certain parties some 10 to 20 percent of the proceeds received by withdrawing members from the sale of their assets?

Mr. WILKINSON. I have heard of such an agreement which I understood provided for 6 percent.

Mr. WOLF. Six percent?

Mr. WILKINSON. That is my understanding.

Mr. WOLF. When did you first hear of this?

Mr. WILKINSON. Approximately 2 years ago.

Mr. WOLF. Do you know who has this agreement or who had it?

Mr. WILKINSON. It is my understanding that it was an agreement, form agreement, drafted for execution by tribal members and individual members on the one hand and, as I recall from the form I have seen, a member of the tribe and an attorney on the other.

Mr. WOLF. You are not participating in that?

Mr. WILKINSON. No, sir.

Senator NEUBERGER. Mr. Wilkinson, I would like to ask you just a little bit about sequence of the legislative history of Public Law 587, or of the bill that became Public Law 587. Now, as I gather, after section 5 was changed to provide for the existing liquidation method and procedure, the bill then was reported in that form to the House floor; is that correct?

Mr. WILKINSON. That is correct.

Senator NEUBERGER. The bill in an earlier version had already passed the Senate?

Mr. WILKINSON. That is correct.

Senator NEUBERGER. Then the bill with the amended section 5, which was the withdrawal and liquidation feature, then passed the House; is that correct?

Mr. WILKINSON. That is correct.

Senator NEUBERGER. Then the bill returned to the Senate for concurrence, is that correct?

Mr. WILKINSON. That is correct.

Senator NEUBERGER. Was there a conference committee or did the Senate accept the House version without change?

Mr. WILKINSON. I have been trying to recall that myself and I cannot be certain, but my best recollection is that it was concurred in by the Senate without a conference.

Mr. GAMBLE. Mr. Chairman, I have checked the Congressional Record with respect to the action of the Senate on the House bill. To the best of my recollection, the House language was agreed to without any discussion whatsoever.

Mr. WILKINSON. I believe that is true and in line with our reasoning at that time, Mr. Chairman, we, feeling that this was an advisable bill and the best bill we could get under the circumstances, we made representations to strategic people in the Senate asking that they adopt the House bill without amendment.

Mr. GAMBLE. You say that is what the tribe wanted?

Mr. WILKINSON. Which we had agreed to.

Senator NEUBERGER. Now, in other words, the bill then went from the House to the Senate; there was no effort made in the Senate to get a conference committee appointed so that perhaps section 5 could be made the subject of some adjustment or disagreement. There was no discussion in the Senate of a conference committee, as you recall? I am not trying to hold you because I realize this is over 3 years ago and I am not trying to hold you to every detail, and if you don't recall it we will check the record and put it in, but I just wonder if you recall it now.

Mr. WILKINSON. I am not certain, Mr. Chairman, but in order to be fair, I do want you to know that we talked with Senators, including your predecessor, and asked that they support the bill as passed, and your predecessor, incidentally, had serious doubts about the advisability of the bill and I suppose as a result of our interceding, and probably others, he was reconciled to going along with it. He told us, as I recall, in our last conference, that although he had doubts, maybe if it didn't work out, well, he would take care of it next Senate, but history will record that a man named Neuberger interrupted those plans.

Senator NEUBERGER. Well, I think it is well that you put all this on the record and my own opinion has been from the beginning that a very serious mistake was made in section 5.

Mr. WILKINSON. On the basis of what we know now and what we have known for approximately 2 years, I agree entirely.

Senator NEUBERGER. Just one other question about the history of the bill. After the House version had been accepted by the Senate without a conference committee being appointed, it then went to the White House; it was engrossed and sent to the White House; is that correct?

Mr. WILKINSON. Yes, sir.

Senator NEUBERGER. To your memory, did any period elapse before the President signed it?

Mr. WILKINSON. I don't have a clear recollection on that.

Senator NEUBERGER. The reason I ask that is this: I am trying to establish for the record if there was ever any valid opportunity for either the Indian community or the non-Indian community in Klamath County and in the State of Oregon to become aware of what was in the final version of the bill and to communicate their views to the President.

Mr. WILKINSON. I cannot speak with respect to the non-Indian community. With respect to the tribe, on the afternoon or the following morning of the date on which the House committee acted, we forwarded to the tribe a number of copies of a report which, as I recall, was signed by the delegates and myself, advising of the action that had been taken and transmitting an exact copy of the bill as reported by the House committee.

That was considered by the General council of the tribe on the day or two following its receipt. The action taken by the general council was merely to accept the report submitted. In other words, they did not take action in support or in opposition to the bill at that stage.

Now, I should emphasize this: They had a very, very short time to consider it. We sent a large number of copies of that report. Some went airmail and were available for that meeting; the others did not arrive until after that meeting.

Senator NEUBERGER. In other words, there was accuracy to the testimony which we had in Klamath Falls 2 days ago from both Indians and non-Indians that there was not a great deal of awareness or understanding in the local community of the contents of section 5 at the time the bill left the Congress and went to the White House for signature.

Mr. WILKINSON. I assume you refer to the testimony of Mr. Ganong.

Senator NEUBERGER. That is right.

Mr. WILKINSON. I heard that testimony and I have no reason to doubt its accuracy. In fact, I have known Mr. Ganong for a period of 10 years and he was once associated with us in representation of the Klamath Tribe. He is a man of the highest integrity and I would have no reason whatsoever to doubt his testimony.

Senator NEUBERGER. I was very impressed by his testimony, and while I am not trying to dig up old bones, I think it is well that the record should show, for the benefit of other members of the Senate and of the public generally, just what the atmosphere was at the time of the passage of Public Law 587.

Just one other question from me: Mr. Wilkinson, unless some other issue is raised, do you think we would be having most of the difficulties and problems which confront us today if section 5 had not been so completely revised and rewritten?

Mr. WILKINSON. I don't think we would be having such serious or concentrated problems. We would not be without problems, however. As the bill was before it was amended, it was quite similar to the bill which was finally enacted governing the termination of the Menominee Tribe, and I can assure you that that is not without problems.

Senator NEUBERGER. Are there any other questions of Mr. Wilkinson, Mr. Gamble?

Mr. GAMBLE. I don't believe I have any at this time.

Senator NEUBERGER. Thank you very much, Mr. Wilkinson. Before I ask the representatives of the two Indian groups to comment,

if they desire to do so, on Mr. Weyerhaeuser's testimony, is there anybody whose name for some reason of inadvertence I have overlooked? If not, then I am going to ask if Mr. Wade Crawford would like to comment upon the proposal made by Mr. Weyerhaeuser. Mr. Crawford, very glad to have you here.

Mr. WADE CRAWFORD. Thank you, Senator.

Senator NEUBERGER. I will ask you if you would, and I am going to ask the other group of Indians, to confine themselves to Mr. Weyerhaeuser's testimony for this one particular reason: that at Klamath Falls both you and they had quite extensive opportunity to discuss other phases of this matter.

Mr. CRAWFORD. I appreciate your courtesy in giving us an opportunity to say something about the proposal of Mr. Weyerhaeuser. I want to say that I was sitting in the back of the room and I wasn't able to hear things he said, and only could hear him read a part of his statement. And I had it over lunch hour and I just, it is—I am not able, didn't have time to go into it and to analyze it like I should. So I am not real ready to make any comment about it too much. Other than this: that I think that the shoe is kind of on the other foot now in regard to the Indians and Mr. Weyerhaeuser's company. He seemed to take exception to the Government buying the tribal Indians' forest, in pointing out that it would be subsidizing the Indians.

Now, ever since 1913, when we started cutting timber there, the Klamath Indians have been subsidizing Mr. Weyerhaeuser and all the other lumber companies who operated in Klamath Falls, and that is one reason that we take the position that we do, as we can't afford to subsidize the Klamath Basin for the benefit of the lumber companies that operate in that district. So, we have been quite generous all these years; so, we are just kind of sick and tired of paying the bill, and we know if it continues over a period of years it is going to break us, slow, but sure.

That was about the only exception I could take to Mr. Weyerhaeuser's statement, because now he doesn't want the taxpayers to pay the fair market value for the Klamath Indian timber in saying, in putting the figure around $25 a thousand, basing that on the newspaper accounts and the statements that have been used before this committee, Senator, that the Klamath tribal property is valued at $113 million.

Now, it is very difficult for me and it is impossible for me at this time to say whether the $113 million is the correct figure. I haven't had an opportunity to study the final report that is to be made by the Management Specialists, and that figure of $25 per thousand on an average may be right and may be wrong, and, by cutting the timber into 130, 140 units, may be right and may be wrong.

I would like an opportunity, Senator, at the earliest possible date, to speed up the solution of this, of carrying out the termination act, to have that report available to the members of the Klamath Reservation so that we can give you the answer that you are now seeking, which we are not able to do because we do not know what that report will show.

Senator NEUBERGER. One thing you said earlier I wanted to ask you about. When you claimed that the Indians had been subsidizing Mr. Weyerhaeuser and the other timber operators in the Klamath Basin, did you mean to imply that the Indians, in your opinion, have not received a fair price for their timber sales?

Mr. CRAWFORD. Let me put it this way, Senator: I think our average price of timber over a period of the last few years has been around $35 to $40 a thousand, and Mr. Weyerhaeuser doesn't think that that timber is worth that. Now, if it is going to be, if the Government has to pay it and pay the Indians off at that figure, because we have assumed all the risk and carried on the administration of that forest for all these years and we have been subsidizing the lumber industry in the Klamath Basin.

Senator NEUBERGER. Have you subsidized them if you have received a fair price for the sale of your stumpage?

Mr. CRAWFORD. Well, it is not a fair price when we have to subsidize them. We are not paying, we are not getting the fair price. Say that we are getting $35 or $40 a thousand for our timber, but look what it is costing us to get it. And, besides, the losses that we are taking. We are taking all the fire losses, all the defective losses in timber, windblown timber. That is why we don't want that to continue another year, 2 years, or 15 years or 20 years. You have heard a lot of different years that have been suggested to your committee since you conducted these hearings, and if that is allowed to go on you are going to break the Klamath Indians over that sort of system that has been going on ever since 1913.

Senator NEUBERGER. Mr. Wolf wants to ask you one question at this point.

Mr. WOLF. How is your timber sold on that reservation; under competitive bids?

Mr. CRAWFORD. It is sold by the Secretary of the Interior under——

Senator NEUBERGER. You mean the Indian Service under him.

Mr. CRAWFORD. Yes; under contract with advertising certain units.

Mr. WOLF. It is advertised for competitive bids?

Mr. CRAWFORD. For competitive bidding; yes.

Mr. WOLF. Have you, generally, had more than one bidder for your sales?

Mr. CRAWFORD. Years ago we used to have a lot of competitive bidding, but the recent years, Mr. Weyerhaeuser has been the principal bidder. I remember one time that the Weyerhaeuser Lumber Co. was the only bidder, and we asked the Secretary of the Interior to reject that bid because there wasn't competitive bidding.

Mr. WOLF. When was this?

Mr. CRAWFORD. I don't recall. Seems to me like 5 or 6 years ago.

Mr. WOLF. I don't have the record handy here, but it seemed to me in our timber-sale hearings we had all the records of Indian timber sales and that there was a fair amount of competitive bidding on your reservation.

Mr. CRAWFORD. In past years it was; in recent years they haven't.

Mr. WOLF. Has the tribal council ever felt it necessary to appeal the award of any sale in the last 4 years, let's say?

Mr. CRAWFORD. We did ask the Secretary of the Interior to reject, to not approve of this particular sale that I mentioned, where the Weyerhaeuser Lumber Co. was the only bidder, and the Secretary of the Interior did do that on the request of the general council.

Senator NEUBERGER. The reason I ask these questions, Mr. Crawford, is this: I am trying to be fair. It has been my impression, from my very limited experience in the Congress, that the Klamath Indians

have received prices for their timber which compare very favorably to those received on other Indian reservations, if not being substantially higher, for comparable species, and that is why, in fairness to the timber operators, I asked you these questions. I am not trying to defend them, but I think the record should be fair.

Mr. CRAWFORD. That is right. I want to be fair, too, Senator. I am only stating what is the facts, and there are several reasons why our timber commands a better price than does that up at the Warm Springs Reservation or other timber in the national forests or under the Bureau of Land Management. It is because of the quality of our timber; 90 percent of it is pine, and it is easy logging. You have got easier logging there than anywhere in the country, and those things enter into the price, and it has been the virgin stands and it has been very accessible to railroads and highways, and all those things have been the reason for the better price.

Mr. WOLF. Does the tribal council have presented to it the proposed sales for their approval as to price before they are advertised?

Mr. CRAWFORD. The usual procedure is that the Department will submit by resolution to the council, asking them to adopt the resolution for advertising and selling certain units of timber, and, after the council adopts it, then it is advertised for 30 or 60 days.

Mr. WOLF. Have you, generally, approved of these sales?

Mr. CRAWFORD. We have, excepting with the one sale.

Mr. WOLF. That one sale, but did you disapprove of that before it was advertised, or after only one bid was received?

Mr. CRAWFORD. After there was only one bid received.

Mr. WOLF. So, you approved of that for advertising, too?

Mr. CRAWFORD. We did. We approved of its being advertised, but we didn't approve of it because there was only one bid and we felt that there should have been competition.

Mr. WOLF. Then your approval implies that you liked the appraised price that the Bureau of Indian Affairs suggested; that you think that is a fair price?

Mr. CRAWFORD. Well, usually, the appraised price, I mean the bid price, when there is competition, is always higher than the advertised price, and that has been the, I think, the history of the selling of the timber on the reservation.

Mr. WOLF. Then do you mean you approve a sale for advertising at a minimum price with the expectation that there will be more than one bid and with the anticipation that you will protest the award if there is only one bid? Is that your policy?

Mr. CRAWFORD. That is not our policy, but all the time before this we have always had competition. There has always been competitive bidding and we have felt that we have had reasons to feel that the deal was fixed, and if you want to put it that way.

Mr. WOLF. Then why didn't you ask the Indian Bureau to raise the appraised price instead of approving the advertisement at a low price?

Mr. CRAWFORD. We didn't anticipate there was only the Weyerhaeuser Lumber Co. would be the only bidder. We thought that there was going to be competitive bidding.

Mr. WOLF. Now, I understand that this sale you are talking about is known as the Long Creek unit.

Mr. CRAWFORD. Somewhere up in there; I have forgotten the unit.

Mr. WOLF. Was it readvertised?

Mr. CRAWFORD. Yes.

Mr. WOLF. How many bidders did you have when you readvertised it?

Mr. CRAWFORD. I couldn't remember now offhand.

Mr. WOLF. I think the record ought to show that, and I think this is subject to correction if it is inaccurate, that it was reoffered in 1955 as 4 smaller sales; there was 1 bidder on each of the 4 sales; the 1 bidder was the Weyerhaeuser Timber Co. Was that appealed by your tribal council?

Mr. CRAWFORD. No; I don't believe it was.

Mr. WOLF. Thank you.

Senator NEUBERGER. I think that should be checked as to accuracy just so it does not appear in the record unless it is checked exactly against the bids and the actual sale made.

(The above-mentioned information is as follows:)

RECORD OF BUREAU OF INDIAN AFFAIRS LONG CREEK SALE NO. 1: 1953–54

Sealed bid followed by oral auction bid on July 21, 1953, only by Weyerhaeuser Timber Co. Sale later canceled at request of Klamath Tribal Council

	Volume (thousand board-feet)	Appraised rate	Bid rate
Ponderosa pine Sugar pine White pine	46,495	$35.60	$35.60
Douglas-fir incense cedar	5,000	12.00	12.00
White fir and other	4,500	6.20	6.20

NOTE.—Sale subdivided into 4 sales: Long Creek 1A, 14,995,000 board-feet; Long Creek 1B, 15,000,000 board-feet; Long Creek 1C, 13,000,000 board-feet; Long Creek 1D, 13,000,000 board-feet.
Sold at appraised prices by sealed bid followed by oral auction to sole bidder, Weyerhaeuser Timber Co., July 7, 1954. Species volume and prices identical with original sale.

Mr. CRAWFORD. I want to say this as long as you are bringing up that. I don't know what position you are trying to put me into or the Indians into for this condition, but I happen to know that the Weyerhaeuser Lumber Co. holds some timber up in that area and that the other lumber companies didn't feel like interfering into that particular district there on account of the Weyerhaeuser Lumber Co.'s holdings in there, and so I just didn't, after it was approved of, I just didn't do anything more about it, and we let it go at that.

Mr. WOLF. I just wanted the record to show what happened.

Mr. CRAWFORD. Yes. I tell you, Senator Neuberger, under the present law of it, of selling our timber, the Indians don't have too much to say about the approval or the disapproval of those sales and what timber should be sold and what should not be sold. That has been picked out by the Indian service, and so we have had very little to say about it. If we had been dealing directly with the Weyerhaeuser Lumber Co. and other lumber companies, why, it would be a horse of a different color.

Senator NEUBERGER. The only reason we ask those questions, Mr. Crawford—and I want to get back to Mr. Weyerhaeuser's testimony very soon, but the only reason we ask those questions is you did make some implication that the Indians had not received a fair price for

their timber; and we felt, in all justification to those who had bought the timber, that some of these questions should be asked.

But I would like to get back, if I can, to Mr. Weyerhaeuser's proposal of today. It was a serious proposal. Mr. Weyerhaeuser presented it very ably. I have some serious doubts about it myself, but I am certainly going to consider it, and I realize it is going to be considered by my colleagues. I am also aware of the fact that the opinion that the Indians have on this proposal is going to have considerable weight not only in the Congress but, I am sure, at the White House.

Now, you have gone over Mr. Weyerhaeuser's statement, I take it. You heard him testifying this morning under questioning by Mr. Gamble, Mr. Wolf, and myself. You commented at Klamath Falls the other day about the statement in the Klamath Falls News and Herald that there was an approximate value of $113 million on the reservation timber. Do you agree with Mr. Weyerhaeuser that this value would be discounted to the extent that a slower disposal would necessarily mean that the timber would not bring that value?

Mr. CRAWFORD. I disagree with him, Senator.

Senator NEUBERGER. Let me ask you this general question: You heard Mr. Weyerhaeuser testify about the value which you might receive. I think he commented, if my memory is accurate, on the fact that considerable hopes had been aroused about the sale of 4 billion board-feet of timber at an approximate value of $30 per thousand board-feet. Do you disagree with him as to the terms he expressed regarding the value which the Indians might receive?

Mr. CRAWFORD. Yes; I do.

Senator NEUBERGER. Do you think the Indians can expect to receive that approximate sum of $120 million?

Mr. CRAWFORD. I think the Indians will receive over $116 million—I mean—yes, $116 million, which the figure has been used, for the reason, Senator, that using the figure of 4,450 million feet, it figures at $25 on an average, that is the wholesale price. If you cut that up into small units and sell it on a retail price, you will get over $25 a thousand for it without any shadow of a doubt in my mind, because all the timber that is being sold in the last 2 years, Senator, by the individual Indians, the Weyerhaeuser Lumber Co. themselves have paid as much as $45 a thousand for timber, and other lumber companies have paid $35 and $40 a thousand for timber, so $25 is not a fair market value for that timber.

Senator NEUBERGER. Mr. Crawford, I don't want to extend this indefinitely. We have before us a number of proposals. We have the Federal purchase contained and recommended in S. 2047; we have the proposal made today by Mr. Weyerhaeuser for the private sale with the Federal Government making up the difference to the Indians between a so-called liquidation price, or whatever you want to call it, and a sustained-yield price; we also have the existing machinery in Public Law 587, which will become operative if the next session of Congress takes no subsequent action. Of those three alternatives, which do you favor? Which do you think would bring the highest price to the Indians?

Mr. CRAWFORD. Well, Senator, I am just not in a position to say, other than what I got through saying, that if the timber is put into small units it will bring the best price. That is, I believe that no one

that has handled timber will dispute that because that can be proven by a lot of timber sales in the past.

Now, regarding Mr. Weyerhaeuser's proposal, the lumber companies paying so much a thousand for the timber and the Government paying the difference, why, that seemed to me like an unusual thing to do. It looked to me like it would be granting special privilege to the lumber companies in the Klamath Basin. I think that it might cause a great deal of trouble in the future in the State in handling other timber sales from the public domain. I think that the choice between the Weyerhaeuser plan, and yours, and Senator Morse's plan, between those two plans, the national forest would be the proper people to buy it straight out. You would own the land and own the timber and I think you would have less trouble about it.

Senator NEUBERGER. Thank you very much, Mr. Crawford.

Mr. CRAWFORD. I want to say this, Senator, in conclusion: that I want to seriously object to the Weyerhaeuser Lumber Co. having access to our records with regard to the appraisal to be made by the Management Specialists. I don't know of any reason why it is any of their business, and if you are going to give the Weyerhaeuser Lumber Co. the access to those records that are to be made by the Management Specialists in arriving at the appraisal, you should give it to every lumber company in the United States.

Senator NEUBERGER. I would agree that that would be fair. I do not think it should go to the Weyerhaeuser Lumber Co. alone. However, I think in fairness that Mr. Weyerhaeuser and his associates cannot accurately document the financial aspect of their proposal unless they realize the contents of those appraisals. It seems to me in fairness to you and the other Indians, as well as to the Government and the community, that those people making any alternative proposals should have every opportunity to submit it as completely and as thoroughly and as accurately as possible.

I certainly would not contemplate that those appraisals should be made available to the Weyerhaeuser Timber Co. if they were not available to every other timber company, large and small. I feel that in fairness to the Indians and to the Government that anybody making a proposal should have the opportunity to document it.

Now, if I were an Indian, I would not want to buy a pig in a poke; and if I were going to accept Mr. Weyerhaeuser's proposal, or if I were going to reject it, I would say that I owed it to myself to be aware of just exactly what it meant in dollars and cents to the Indians, and that is the only reason that I suggested that I would urge the Secretary of the Interior to make these appraisals available to the Weyerhaeuser Timber Co. so that Mr. Weyerhaeuser and his associates could present accurate figures about what they are now proposing. As you know, now it is just in very skeleton form; there is no meat on the bones, and I don't think they can do it until they have those apprisals.

But I just want to make the record very clear that I would not suggest for 1 minute that they go to the Weyerhaeuser Timber Co. unless they were available to every other bona fide potential timber company that would buy some of that timber.

Mr. CRAWFORD. After the approval of the Secretary of the Interior is made, not before.

Senator NEUBERGER. Of course.

Mr. CRAWFORD. That is what I meant.

Senator NEUBERGER. It will be his property—not his property, but he will be the custodian of that appraisal after the Management Specialists have submitted it. Isn't that correct, Mr. Wilcox?

Mr. WILCOX. Yes, sir.

Mr. CRAWFORD. I misunderstood the request and the position that you are taking because I thought that they were trying to get this in advance of the approval of the Secretary of the Interior.

Senator NEUBERGER. Not at all.

Mr. CRAWFORD. After it is approved of, I think that that appraisal should be then widely spread to every lumber company in the United States so they would know what we have got down there, and I think then your timber would command a better price and it would be better for all concerned.

Mr. WOLF. Mr. Crawford, would you like to suggest any other companies that we should send it to?

Mr. CRAWFORD. Not now. I wouldn't care to now.

Mr. WOLF. Thank you.

Mr. CRAWFORD. After the appraisal is completed and approved by the Secretary of the Interior, then I think you will have plenty of requests for those records.

Mr. WOLF. I knew you had mentioned you had some companies that were interested.

Mr. CRAWFORD. Well, I happen to know of some all right; and so I just want to, in conclusion, Senator, to say that I want an opportunity to submit an additional statement here in regard to the Weyerhaeuser plan and some other things that have been said here by different organizations here since you started conducting these hearings in Klamath Falls.

I wonder if you would put yourself in my position just 1 minute. As an Indian to sit back there in the audience and have people come up here before you and testify to you as to how they thought and how they think that we Indians should be handled, our problems, our property should be handled, our money should be handled, and the things that are said about us. I wonder if the people that are doing that are realizing what they are saying? And I will tell you, it cuts me to the core, because they have been saying things here that they can't prove. They have been saying things here that are hurting the Indians, and I will tell you, it is hard to take. It is an unfortunate thing that our property has to be handled this way and the Indians handled this way.

Senator NEUBERGER. I think, Mr. Crawford, all of us have to take some things that are hard to take. At Klamath Falls the other day when you and Mrs. Crawford were on the witness stand you were critical of some of your associates in the tribe; you were critical of me personally. That is your right and that is what takes place in a democratic nation where people can speak their minds rather freely.

I want to say to you that the record will be kept open until November 1. Anything further you have to say on these issues can be sent to Mr. Gamble at room 224, Senate Office Building. We only ask that you keep them to reasonable length for the sake of the hearing record.

Mr. CRAWFORD. Well, I am certainly glad that you are conducting these hearings in a way I think you are learning a lot about our prop-

erty, that people haven't paid any attention to here for the last 83 years. People haven't paid no attention to us down there, but now you find all kinds of people coming up here with all kinds of bright ideas about our forest and our ducks and the swamp, and I want to say this to you, Senator: There is a lot of stress being made about that swamp for the duck reserve. I seriously want to call your attention to that 15,000 or 21,000 acres that has been so much talked about. There isn't enough water in the Williamson River—you double check this—to maintain that swamp like it is.

Now, in all these past years no one has paid any attention to that swamp or the rivers that feed it. Mr. Kittridge has controlled that river. It is a small river. It is practically a creek and there isn't enough water to irrigate those farms, the grazing lands and the pasture lands there and maintain a duck reserve, unless the Government will go in and spend a lot of money in putting in dams and check dams in there and in holding that water in that swampland.

Now, I am certainly 100 percent for the conservation of wildlife, ducks, and deer and so on. I have done a lot of hunting and fishing and it has been a shame that the nesting ground around the Klamath Lake has been allowed to go in that California-Oregon Power Co., and the Dulane farms have gone in there and destroyed hundreds of acres and thousands of acres of the nesting grounds of the ducks.

Now, I have hunted on those, around those lakes, when I was a kid, and now they are out there farming that land. And there is no one said one word about that in those days and no one is saying anything about it now. The only thing they are talking about is that little 15,000 or 20,000 acres we have got up there on that marsh. And something should have been done about that years ago and something should be done about what is going on down there now, around that agency lake.

Senator NEUBERGER. I quite agree with you, we have been very shortsighted about a lot of resources in the past and I am just trying to be as prudent as I can about the few that are partially my responsibility now.

Thank you very much, Mr. Crawford. As I stated earlier we will hear regarding Mr. Weyerhaenser's proposal from Mr. Delford Lang, the chairman of the Klamath Tribal Executive Committee, and his associates, Mr. Jackson and Mr. Kirk.

Mr. CRAWFORD. Senator, just 1 second. I meant to ask you to have the Secretary of the Interior, if you would, give us the appraisal of the Management Specialists at the earliest possible date. I understand it is going to be sent to them on the 21st of this month and to speed this whole thing up, the Indians should have it within a shortest possible time so that we can come to you and the Members of Congress and tell you exactly what we are willing to accept and what we are willing to do and what is the best thing to do for both the Government and the Indians, and we can't do that until that is done and I would like to make a request that I have it at the earliest possible date.

Senator NEUBERGER. Well, you realize I can't give orders to the Secretary of the Interior, but I can certainly make a request that once he and his associates have approved it that it be made available to the tribe as soon as possible.

Mr. CRAWFORD. Thank you.

Senator NEUBERGER. I have just had my attention called to an item in the Western Logger and Lumberman about the recommendation of Chief Justice Gordan M. Sloan, of Canada, where he has recommended the purchase of 400,000 acres of the Esquimalt & Nanimo Railroad which, I believe, is a branch, a subsidiary of the Canadian Pacific Railroad, of a forest land grant which they originally had containing an estimated 12 billion feet of timber. Mr. Sloan has recommended this be bought by the Provincial Government for some $108 million and the land to be managed as a sustained-yield unit by the British Columbia Provincial Forest Service, and the output sold by competitive bid, and I will ask that this whole article appearing on page 8 of the Western Logger and Lumberman be included in the hearing record, because there are certain parallels to our own situation which we are considering here today.

(The article referred to follows:)

[Excerpt From Western Logger and Lumberman, September 1957]

Esquimalt & Nanaimo Purchase—Chief Justice Sloan recommended the purchase of 400,000 acres of Esquimalt & Nanaimo Railway (CPR) forest land containing an estimated 12 billion feet of timber by the provincial Government for $108 million. These lands to be managed as a sustained-yield unit by the British Columbia Forest Service under sustained-yield principles and output sold by competitive bid. Railway purchase to be financed by Government bonds redeemed from stumpage profits.

Senator NEUBERGER. Mr. Lang, we appreciate having you and your associates in the Klamath Tribe here today. I would appreciate it if any of you who do speak for the record would identify yourselves for the reporter. Now, you are Mr. Delford Lang, the chairman of the Klamath tribal executive committee?

STATEMENT OF DELFORD LANG, CHAIRMAN, KLAMATH TRIBAL EXECUTIVE COMMITTEE

Mr. DELFORD LANG. That is correct.

Senator NEUBERGER. We would be glad to hear from any of you as to your opinions on Mr. Weyerhaeuser's proposal. We would like to confine it to that because we did hear at length in Klamath Falls from Mr. Jackson and others about the purchase of the timber in general under the provisions of S. 2047, but we would like to have your comments, if you care to make them, about Mr. Weyerhaeuser's suggestion.

Mr. LANG. I asked Mr. Gamble to cancel my appearance a moment ago, but it seems he called me anyway. I haven't had a chance to study this and I would ask your permission to give me time to go over this and the bill and submit my statement to you in writing before the first session of Congress.

Senator NEUBERGER. We would like to have it if possible before November 1. That would give you nearly 4 weeks. If we could, so that it could appear in this hearing record. Would that be possible?

Mr. LANG. That is possible. That is all right.

Senato NEUBERGER. All right, Mr. Lang. Do any of your associates care to make any statement?

Mr. LANG. Well, the Secretary of the general council sitting by me, Mr. Cook. He carries around a little weight, too.

Senator NEUBERGER. I am sure he does. That is Dibbon Cook?

Mr. DIBBON COOK. That is right.

Senator NEUBERGER. Mr. Cook, do you wish to say anything about Mr. Weyerhaeuser's proposal?

STATEMENT OF BOYD JACKSON, MEMBER, KLAMATH TRIBAL EXECUTIVE COMMITTEE, ACCOMPANIED BY JESSE KIRK, ELNATHAN DAVIS, AND DIBBON COOK (Resumed)

Mr. COOK. Mr. Senator, I never prepared any statement or thought about the question of Mr. Weyerhaeuser's statement that he made this morning, and I also don't have a copy of it but he promised to get me one, so I am at a loss. But I would, if I am permitted to get out of order here, I would like to read a statement that I have written during this meeting.

Senator NEUBERGER. I think you had better go ahead and read it, Mr. Cook. I hope it isn't too long. Remember your group did have an opportunity at Klamath Falls, and that is the reason I suggest any restrictions, but if you feel it is pertinent to the hearing record, you go ahead and present it.

Mr. COOK. I would like to present a question of survival. Possibly there would be a group who could survive meeting competition, but even though this exists, we should be willing to do some sacrificing in order to protect our most unfortunate members. I feel that time is breathing down our necks, not only us as Indians, but our Senators, Congressmen, interested organizations, and our neighbors. Time is of the essence for the future welfare of ourselves.

We are faced with many problems of the effect of Public Law 587. Some or many may not be seen at the moment, but would be on the lips of many after termination. Some of the things ahead are prevalent. As a member of the tribe, secretary for the Klamath tribal general council and for some time secretary for the executive committee, I have been very much concerned for my fellow men. This is our community right. This we are obligated to protect. If we fail to act where can we lay the blame; but on the other hand if we did act and have lost, who can point their finger at us for not trying?

Our defense has been scattered in a hundred directions. We are not in unity. If only we could unify and solve these problems.

The question is, can we solve this question? The thought of the impact of termination, how can we get this over to the individual member in order to protect his and our rights? How quickly this consciousness can be awakened in the minds of our members. How can we reach each member of the tribe? For in such a short time this may proceed through the workshops of our tribal leaders and possibly we would find we stand not alone.

Can we survive as a people as a self-respecting, self-governing community or whether they shall survive as landless, half-educated, sick individuals and many exist upon welfare payments from the Federal or State. That is why I say we are being shoved out, as I will endeavor to point out.

Then the Federal Government and the State government will be bickering over who does this financial responsibility belong to? As

you know, Resolution No. 108 of the 83d Congress declared that the official Indian policy of the United States was to terminate the Indian tribes as rapidly as possible. Although Congress is no longer terminating tribes under its terms, the Bureau of Indian Affairs have been referring to this mandate, from Congress, to justify piecemeal termination by administration measures such as supervised sale, individual land surveys, guardianships, and others, by August 13, 1958.

When questioned we must follow administrative measures, congressional mandates, and its respect for the freedom of the individual Indian. As you know, our fellow members hate social apathy, although they recognize bodies by the members. They eye each other with distrust and yet they elect members to the tribal council and executive committee in order to have a target for their stones.

Now, if we would call the Klamath Indians in a sense as a team who have been pushed nearly back to the goal post results in the touchback in the form of losing our entire estate, for as it was said by one of the Congressmen, for a paltry sum of Yankee dollars we have been forced to sell our heritage, because being bound by rules and regulations that have been imposed upon us and one way or the other forced us to sink or swim, but with no prior provisions for initiation or responsibilities to swim. To handle our individual affairs under the law we are foced to sell at the buyer's price.

I mention sink or swim. It is neither sink or swim. We will be there floating among other citizens in the community in which we live. We have a right to live and not become extinct or exterminated as planned.

Now, we have been pushed this far. How are we going to keep from just floating through the liquidation of a tribal heritage? We are in a current seeking some means to save our tribal resources in a satisfactory settlement, and not to be sold down the river. It now exists under Public Law 587.

The only alternative, or the last resort we might say, possibly Federal purchase may answer this question, and which may allow us some privileges. We have not been justified under Public Law 587. There have been many things omitted of vital importance to each beneficiary. Possibly there exists unforeseen resources which have not been explored. Public Law 587 does not require the right to accept or reject any or all bids. It does not include the right of Indians as to their rights after termination, a fair and just compensation regarding their hunting and fishing rights, mineral rights to tribal property. Such explorations as now going on this very minute, if such explorations were made prior to termination we as Indians along with the Federal Government, the State, the various organizations as we would not be facing this problem now in the last minute. Thank you.

Senator NEUBERGER. Thank you, Mr. Cook. Mr. Kirk, do you have anything you would care to say? I would appreciate it if you would try to confine it to the recommendation made on behalf of the Weyerhaeuser Timber Co., because we did discuss these general issues and the Federal purchase bill at length in Klamath Falls the day before yesterday.

Mr. JESSE KIRK. Very well, Mr. Chairman. Jesse Kirk is my name, vice chairman of the Klamath Tribal Executive Committee. Today was the first time that I have heard the proposal made by Mr. Weyer-

haeuser. I haven't read any portion of it and I don't feel that I would be able to have much to say on it now, because I couldn't memorize him as either making his statement and I don't believe I could make any sort of an intelligent comment on it unless I have had some opportunity to read it. So as far as Mr. Weyerhaeuser's proposal, I believe that one of the things that since it has been brought to our attention should be studied, as we have other proposals, the Federal purchase, State purchase, now the Weyerhaeuser proposal, now, which could be taken up as an alternate to the other proposals if we had time.

Senator NEUBERGER. Thank you, Mr. Kirk.

Mr. GAMBLE. I was just wondering, Mr. Chairman, whether it might be proper to request that the tribal executive committee study this suggestion that Mr. Weyerhaeuser has made to the committee over the next 2- or 3-week period and submit to us its views at that time in written form.

Senator NEUBERGER. Well, that was the implication of my request of Mr. Lang, and I hope that Mr. Lang will communicate with us by November 1, as he has indicated he will, and at that time he will have an opinion on the Weyerhaeuser Timber Co.'s proposal which he can make, I hope, on behalf of the tribal executive committee.

Mr. GAMBLE. That was the point I was trying to make, Mr. Chairman.

Mr. KIRK. Then, Mr. Chairman, could Mr. Lang then, as he wasn't present at Klamath Falls, could he sort of summarize the whole thing as covered by the Indians of the tribe?

Senator NEUBERGER. You mean Mr. Lang send us the statement by November 1?

Mr. KIRK. Yes.

Senator NEUBERGER. Yes. It is my hope that this statement which Mr. Lang will send to us will not be on behalf of himself alone, but on behalf of the executive committee of the Klamath Indian Tribe.

Mr. KIRK. That is what I meant, Mr. Chairman.

Senator NEUBERGER. That will give you over 3 weeks in which to discuss this with your attorney, with your members, with the others who are involved, and it should afford time in which to give us an opinion on what Mr. Weyerhaeuser has proposed.

Mr. KIRK. I don't know whether this has any bearing on the Weyerhaeuser, but I have a couple of photographs cut on the Long-Bell unit and also on the reservation unit I would like to submit.

Senator NEUBERGER. These will be incorporated by reference and they involve cutting on private lands logged in 1941 and tribal lands logged in 1947 and 1948 on the Klamath Reservation, and this will be included by reference. Thank you, Mr. Kirk, very much. Mr. Jackson, did you have any comment you wanted to make now to Mr. Weyerhaeuser's proposal?

Mr. JACKSON. Briefly, yes, Mr. Chairman.

Mr. ORR. I may be out of order. I would like to explain that that photograph, I believe, he has there about lands logged in 1941, that if it is what I think it is, that is property that was acquired by us as cutover land in 1943 and it does not represent holdings of the Weyerhaeuser Timber Co.

Mr. KIRK. Mr. Chairman, for further clarification—I wasn't quite completed—that was logged by Lamm Lumber Co. in 1941.

Senator NEUBERGER. The Lamm Lumber Co.?

Mr. KIRK. Yes.

Senator NEUBERGER. We will note that, that it was logged by the Lamm Lumber Co. I didn't think that the caption said it was logged by the Weyerhaeuser Timber Co. As long as the issue has been raised, however, we will note that it was logged by the Lamm Lumber Co. Is that the company that owned the railroad where now the road is across the marsh?

Mr. ORR. Yes, sir, that is the company.

Senator NEUBERGER. You now own those lands, the Weyerhaeuser Timber Co.?

Mr. ORR. Yes, We acquired them in 1943.

Senator NEUBERGER. I think it is a valid exhibit, however, as long as it is clarified as to who did log it. You have no objection to that, its being included by reference, and I am glad you did clarify who did log it, but it does show, I think, at least at cursory glance, some contrast between the logging carried out under the supervision of the Indian Bureau and the logging carried out by the Lamm Lumber Co., and it will be incorporated by reference, but I am pleased that you stated who did it.

Did you want to say something, Mr. Jackson?

Mr. BOYD JACKSON. Mr. Chairman, if you and the other people keep on talking, I won't have time left to say anything.

Senator NEUBERGER. Well, Mr. Jackson, in all fairness, we gave you a lot of time at Klamath Falls on Wednesday.

Mr. JACKSON. Well, now that you asked me a question on this specific report on the part of Mr. Weyerhaeuser, which was absent at the time that I made my statement, I feel that this statement as now submitted by Mr. Weyerhaeuser is all important. It is highly important. It has material in it that I, for one, we had been hoping for and expecting in some form or another and there was one of the reasons why we asked that we be permitted to sit in on these hearings. Not that we would participate in it any and submit any statement.

Now with this, this clarifies the atmosphere to a considerable extent, of the position that has been taken by the speaker previous to us here, who criticized the Weyerhaeuser Co. on several points and in which I was a party to and that was with reference to the one company bidding, and at that time I felt that the lumber company was pulling a collusion over us and that Mr. Weyerhaeuser had dominated the other fellows and the other fellows were afraid to bid. So I went along with them and the result was that the bid wasn't accepted.

However, after the same unit was broken up into several units and no bids received and had to be readvertised again and finally the successful bidder was Mr. Weyerhaeuser, and he was the only bidder, and the result was that he got the unit and in the meantime I think that the minimum bid was set at a lower level and the result is that we came out a good many dollars the loser.

Now, Mr. Chairman, the reason that I felt that I should make some comment, immediate comment, on this report on the part of Mr. Weyerhaeuser is that he has come out with the things that we had not anticipated would be brought out in the way he did. And at first off he takes the position apparently the timber of the Klamath Tribe is of paramount issue to the timber companies of the Northwest, which

has been our position all along, and in which he further states that inasmuch as his company had operated under the sustained-yield practice, why that some such operation should be carried on.

And the most important factor that he brings out is that he questions the possibility of us Indians getting the very maximum values for our timber, and that was the reason, Mr. Chairman, in my statement of October 2 was that as long as the Federal Government wanted to get out of business insofar as the Klamath Tribe was concerned, that it was up to the—it was the responsibility of the Federal Government to pay us the very highest possible price, and that was something that I did not believe could be handled by private enterprise, which is set out in this report. And it was also voiced very calmly and freely among our people that there were companies here in the Northwest and some parts of the country big enough to buy our timber outright at some competitive price, but I don't know whether that competitive price would be anywhere near the appraised value, which I doubt.

And this seems to indicate in support of my thinking and feeling on such a possibility; hence, if the private enterprise is interested but would not be in a position to pay off in immediate cash, which was the understanding that was broadcast among my people that these concerns could pay off and pay off right now. We felt that it was an erroneous position to take and now that this bears out our theory we feel quite certain that such a document as this should be broadcast among my people so that they in turn would understand the position of one of our, what I would say, highest timber minds.

And in connection with that, Mr. Chairman, I also want to say at this point that we appreciate being allowed to sit in and listen in on the expressions of the various gentlemen that represent various organizations and that coming from the highest trained minds of the State and Nation, why, led us now to feel that a great deal of interest has been stirred up. The only sad part of the whole procedure is that why wasn't this probing, exploring, done before the passage of Public Law 587? That is the sad part, that we are doing the very thing that should have been done prior to the passage of any law affecting the termination of the Klamath Tribe.

However, Mr. Chairman, I have got to say this: That Congress acted through the advice of its arm, eyes, and ears, Department of the Interior, who has the business of knowing the welfare of the Indians of this Nation. Hence, I don't believe, had you been in office at that time that you would question the recommendation of the Secretary.

Senator NEUBERGER. Well, I have questioned some of his recommendations, Mr. Jackson, as the record will show.

Mr. JACKSON. And now it has come to a point where these things are glaring, and just how it would have come out of this mess, why, remains to be seen, and hence, we highly appreciate the position that you have taken in this and we also highly appreciate the position that our leading timber manufacturers have taken and are willing to submit their views as to where they stand as to what might be done, and with that in mind we feel that something will be accomplished.

However, if the private interests are determined to a point that they are not going to concede that Federal acquisition is the answer,

only to the extent that if the Federal Government subsidizes, why, then, so that we might in turn get the very best possible value for our timber and land, why, that would be the only answer and permit us to get full values for our property. By that I mean that we don't want to give our heritage away, and we have realized benefits from our heritage that a lot of the citizens don't, and we exercise a lot of freedom on that particular heritage that other citizens don't have. Hence, why should we at this point agree to give something away for the mere sake of the dollar, as set out by the statement of our Secretary here?

Now, with this brief statement, I would like to touch on the matter of this wildlife. It was brought out here that this wildlife matter is somehing that we Indians shouldn't be permitted to exercise our aboriginal rights in. I don't know; I maintain otherwise. We have been compelled to follow the Migratory Bird Act on our reservation wildlife, and we have been held to it. We don't go out there and shoot birds out of season, and why should somebody come in here and criticize that we exercise a right we don't exercise, that we exercise the right that any other citizen exercises? Those are the things that shouldn't be held as a true report.

Now, we had introduced, I had introduced bills in Congress to set up ways and means of going about to take care of our migratory-bird life. And I must say that the Indian service, upon my introducing such a bill, and upon the request for a report on such a bill, took the position and said, "No, no, let us, the Indian service, introduce a general bill"; and they never did. The result is we had hoped that something could be done in order that this very marsh that you are talking about could have been set aside for such a migratory-bird life only to the extent that could be allowable and permit us to reclaim a lot of the marshland for hay land purposes and pastureland. That is what we had in mind. Now you want to take it all away from us.

And what I want to say at this point, too, is that if there is Federal acquisition in mind with reference to our buying marsh, why, then I say that an exceptional value should be put on that marsh and not its meager minimum value, because after all, we had other plans in mind. And to have it taken away from us, and even though we had complied with the laws so far as hunting is concerned, why, then we don't think that such an acquisition was fair.

And once again I want to say that if this information set out in this report here would ask that over the 15-year period of logging operations on the reservation could only be satisfied on the basis of installment payments, why, then that should be clarified to my people, because, after all, they have been led to believe that all you've got to do is sell it to the Weyerhaeuser and other companies and get your money right now. The heck with the Federal Government. We don't feel that way.

We feel that, as I say again—I want to restate this—as long as the Federal Government wants to get out of business and didn't want to handle our business, although we had been no cost to the Federal Government, why I say that it is the Federal Government's responsibility to pay us the very highest, maximum values for our holdings, because we have got nothing to give away.

Senator NEUBERGER. Thank you very much, Mr. Jackson. I know that you and your associates will collaborate and work with Mr. Lang in the statement on Mr. Weyerhaeuser's proposal, which we will have at our committee offices by November 1.

Before I conclude the hearings for today, I would like to ask the lady in the back of the room the name of the little Indian girl who has been here, if I can. Can somebody tell me the name of the little Indian girl who has been here in this hearing room, because I think the record should show her name. I believe she is the best behaved little girl who has the most patience and shows the best kind of behavior with more talk from adults than any little girl I have ever known, and I think her name ought to be in the hearing record. What is her name?

FROM THE FLOOR. Elizabeth Marie Lang.

Senator NEUBERGER. And how old is she, please?

FROM THE FLOOR. She is 4.

Senator NEUBERGER. Well, if anybody deserves a star in her book for good behavior, Elizabeth Marie Lang deserves it today, and I wanted the hearing record to show her name.

Before we conclude, is there anybody else who wishes to be heard? I would like to ask if Mr. Forrest Cooper is here. We had received several letters from Mr. Cooper. Is Mr. Forrest Cooper in the room? I don't hear from Mr. Cooper.

I would like to include in the hearing record an article written on the American Forestry Association annual meeting by Mr. William M. Blair of the New York Times, which appeared in that newspaper for October 1. The article is entitled "Experts Discuss Indians' Timber" and gives some of the views that the American Forestry Association had, as reported by Mr. William M. Blair of the New York Times staff, and I think it would be useful to give an additional aspect on the matter to appear in the hearing record.

(The document referred to follows:)

[From the New York Times, October 1, 1957]

EXPERTS DISCUSS INDIANS' TIMBER—FORESTERS PONDER DISPOSAL OF THE KLAMATHS' 800,000 ACRES ON OREGON LAND

By William M. Blair

MADISON, WIS., September 30.—The American Forestry Association joined the Klamath Indians today on one of the country's touchiest Indian and timber-resource questions.

Neither the Oregon Indians nor the association's board of directors has decided on how to dispose of the Indians' valuable timber on a reservation guaranteed by a treaty of 1867.

About 800,000 Oregon acres of ponderosa pine are at stake in the fight that Congress will be called upon again next year to decide. At stake, also, is the future of some 2,000 Indians who have split on whether they will take cash, break up the tribe, put the land into a corporation to sell the timber to private interests, sell outright to the Government or private lumber interests, or develop some other scheme.

An appraisal, begun in 1953, by the Department of the Interior, still has not been made public. It is said that the appraisal by a team of management specialists named by the Department has set the timber value at $114 million.

SEEN AS POLITICAL ISSUE

It is likely that the question will be injected into the 1958 congressional elections in the Pacific Northwest where Democrats have accused the administration of giveaway of natural resources to private interests.

Professional foresters and timber-industry representatives on the association's board, like the Indians, also are split as the national organization opened its 82d annual meeting.

The professionals urged outright purchase by the Government of the forest reservation land. They contended this was necessary to make certain it will be managed for sustained yield as a prime natural resource and protected against exploitation. They feared clear cutting or denuding the land would follow a breakup of the timber for sale to private interests.

The timbermen balked Government purchase. They want the forest in private hands to help build the economy by getting it on the tax rolls. Their argument is a part of the running fight over Government landholdings in the Western State. For example, 80 percent of Oregon's forest land is public land.

AGREE ON ONE THING

The opposing sides appear to agree on one thing: The Indians want the most money they can get.

Whatever the outcome of the conflict, it will establish a precedent on the disposal of natural resources on Indian land. Several States are watching the Klamath issue closely. These include Wisconsin.

Gov. Vernon W. Thomson, of Wisconsin, who welcomed the association today, cited his State's problem in preserving the 220,000-acre magnificent stand of northern hardwoods and conifers (any cone-bearing tree), in the Menominee Indian Reservation of northern Wisconsin.

He said the time was approaching for the termination of Federal guardianship, but that the difficulty was "finding a solution which will be equitable for all.

"Some special State legislation may be necessary," he said.

But, he cautioned the association, "we will not permit the exploitation of this forest or the exploitation of these people."

The association's 3-day conference is devoted to canvassing the future of timber utilization and the future of adequate natural resources for a growing population.

Mr. LANG. Before I leave, I would like to say this, that before—sorry I didn't attend the meeting in Klamath Falls, but before I left home there were some of my members came up to me and told me, "Tell the Senator; urge the Federal purchase."

Senator NEUBERGER. Thank you, Mr. Lang.

Mr. WEYERHAEUSER. Might I make an answering remark to Mr. Crawford, before the termination of the hearing, just to clarify a point?

Senator NEUBERGER. Yes, Mr. Weyerhaeuser. I don't want to prolong this, or promote a debate. I just want to say for the record, as you know, this is not a debate. We are trying to get all possible information, but, if you feel something was said that should be clarified, and I know you won't make it argumentative but merely factual, won't you come up here and present it?

Mr. WEYERHAEUSER. Very briefly, I just wanted to agree with what Mr. Crawford said about the value of the timber. I believe he said he believed that the maximum value would come through small-patch offerings and maximize the retail value, and he mentioned values from $25 to $35 a thousand. I believe he misunderstood, or did not have an opportunity to study our presentation, because that presentation was based on the assumption that those figures are realistic in relation to small sales, and the conclusion that we arrived at for the overall value of the block was based on the conviction that the small-value sale of $30, $35, whatever the quality of that timber is, when projected over 4 billion feet, would result in the discount factor. I don't believe there is any argument about the value of that timber

being a hundred million dollars when projected over small sales over a great many years.

I just wanted to say that so that, certainly, there is no argument on our part about the value, and the question that they should receive the very maximum value that can be justified.

Senator NEUBERGER. Thank you very much, Mr. Weyerhaeuser. As we stated earlier, the hearing record will be kept open until November 1, 1957, for any bona fide statement of reasonable length that can be submitted. They should be sent to Mr. James H. Gamble, Senate Indian Affairs Subcommittee, room 224, Senate Office Building, Washington, D. C.

We thank all of you very much for your information and opinions, and our hearing now stands in recess.

(The hearing adjourned at 5:45 p. m.)

(The following material was received by the committee after the conclusion of the hearings:)

INTERNATIONAL WOODWORKERS OF AMERICA,
Portland, Oreg., October 11, 1957.

Hon. RICHARD NEUBERGER,
United States Senate, Washington, D. C.

DEAR DICK: I am writing this letter to express my opinions in behalf of the International Woodworkers of America relative to the disposal of the Klamath Indian Reservation, especially that portion which is covered by timber.

I was hopeful that I could appear in person before your committee when you had your hearing in Klamath Falls, but was unable to do so because of the many problems I had to take care of at the conclusion of our internaitonal convention.

I have studied the reports that have been appearing in the Oregonian and Journal relative to testimony by individuals and heads of large timber companies, such as the Weyerhaeuser Timber Co. I am definitely opposed to allowing one big company to get control of all of the timber which is involved in the Klamath Indian Reservation. It would create a monopoly which, in a few short years, would put out of business most of the other smaller companies which are operating in that area.

I am still of the firm opinion that the best interest of the people living in and around the Klamath Indian Reservation, the State of Oregon, the Federal Government, yes, and even such large corporations as the Weyerhaeuser Timber Co., will be far better off to have the Federal Government purchase these timberlands and place them under the control and supervision of the United States Forestry Department. In that way it gives the Forestry Department the opportunity to have a larger area in which to carry out their selective-cutting and sustained-yield forestry programs, which will be in the best interest of all of us.

I hope my few remarks don't come in too late for consideration by your committee, prior to making this most important decision. If we are going to meet our responsibilities as citizens, we must protect the rights of the Klamath Indians and get for them the best value possible out of the commodities and land which was granted them through peace treaties.

Sincerely yours,

A. F. HARTUNG, *International President.*

ELLINGSON LUMBER CO.,
Klamath Falls, Oreg., October 15, 1957.

Subject: Klamath Indian Reservation liquidation.

Hon. RICHARD NEUBERGER,
United States Senator,
Post Office Building, Portland, Oreg.

DEAR SIR: In regard to this liquidation problem, I would prefer to have the Klamath Indian Reservation restored to its original status. This, of course, would mean repealing bill No. 587. It would seem to me that the Bureau of Indian Affairs could put the Klamath Indians on notice at this time and tell

them that, 20 years from today they will be totally on their own. This would solve the Indians' problems to some extent and also solve the so-called economic difficulties that might develop if the reservation were to be liquidated now.

I am sure the Bureau of Indian Affairs would like to rid itself of a few more Indian problems, as I see a well-trodden path to their doors from the many reservations. Actually, I think the Bureau has done a pretty fair job in this area, which I am somewhat familiar with. If this is not possible, I would suggest turning the reservation over to the Bureau of Land Management. They have, in the past, been quite efficient. They have a good record. I don't agree with all of their policies, but they do get the jobs done. The Bureau of Land Management at Salem has an area administrator, Mr. Otto Krueger, who, many years ago, worked the Klamath Reservation and is very familiar with the region and its problems.

I am sorry that I cannot agree with a great many people in letting the Forest Service buy the reservation, for a number of reasons. First, their record is not as good as it might be. In the past 3 years they have requested a budget from Washington of $263,300,000. They received $273,700,000. This is more than they asked for, yet they are always quoting in public and publicizing that they are short of funds and have no manpower. These statements are not true. The Secretary of Agriculture, Dr. McCartle, should issue a directive to stop attempting to mislead the public.

In the Oregonian, Mr. Aufderheide, forest supervisor of the Willamette Forest, in Eugene, Oreg., reported a shortage of funds about 2 weeks ago. As Astoria, 2 to 3 weeks ago, the Forest Service was putting words in the mouth of the Association of Oregon Counties regarding funds and budget cuts. This is not entirely true. As to the record of their accomplishments with all the money they have requested, why have they not put up and sold their annual allowable cuts? They requested funds for over 3 billion feet in regions 1, 5, and 6 for the past 4 years. In the same period they have not averaged but 2 billion feet, yet they have had funds for a total of 3 billion feet. Where did the excess unused funds go?

Secondly, the appraisal system of timber values is not realistic. Some of their sales figures are actually fantastic. Appraising timber should be sound, and not a matter of attempting to push log grades higher than their values really are. Also, the Forest Service has defective areas that they refuse to log out. We have asked why, for 15 to 20 years, and are still wondering. I believe in sustained yield, but sustained yield means wise and prudent usage and not merely locking the door for 50 years.

If you will look back, even during the war years, the Forest Service never achieved their annual full allowable cut. I am sure you would not turn over additional work to one who has not produced in the past. It seems to me that the Forest Service cannot administer what they now have, so why give them more.

Yours very truly,

ROBERT P. ELLINGSON, Jr.

STATEMENT OF THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

The Confederated Tribes of the Warm Springs Reservation of Oregon appreciate the opportunity to participate in the hearing before the Senate Subcommittee on Indian Affairs concerning the Klamath termination problems.

All of us are extremely sympathetic to the Klamath people who have been caught up in the whirlwind of termination. It is only human nature to sympathize more strongly for someone when we are able to look at his plight and see our own reflections in the mirror. We are better able to understand the problems of other people when we can associate their situation with our own.

Since the passage of the Klamath termination bill, the Warm Springs people have, in connection with their worries for the Klamath, attempting to visualize just how termination would work on the Warm Springs Reservation.

Among our people, and many of us are qualified to say that the Klamaths are very analogous, education is improving from generation to generation. There is still substantial improvement to be effected. The standard of health is substantially below average. This situation is also improving from generation to generation, but much is left to be done.

Economic education and development has been totally lacking. As I will point out later, apparently the Government seems satisfied that all of the Warm Springs Indians are farmers and are able to make a living farming upon the lands allotted to them, even though in a majority of instances the lands so allotted do not constitute an economic unit.

The overwhelming majority of our people are extremely poor, with inadequate housing and living facilities. By far the majority have not adjusted to the economic and social system of the white civilization.

A number of factors have contributed to this result and the Indians cannot accept full responsibility. The encroachment of the white civilization largely destroyed the economic basis of the Indian culture. The social system which had been developed by the Indians was not suited to conditions caused by encroachment of white civilization. Indeed, the attitudes adopted by the Government in dealing with the Indians would pauperize any group of people. For example, both the Warm Springs and the Klamaths were moved from their ancestral lands onto restricted reservations. Little or no thought was given at the time of such removal to the problems faced by the Indians in making a living. Farming, hunting, and fishing were the only possibilities and the Government undertook to furnish certain benefits and perform certain services in order to assist them in their attempt to survive. Allotments on the reservation were made in the expectation that all of the Indians would be farmers. In spite of this fact, a substantial number of the allotments on the Warm Springs Reservation do not constitute an economic unit and could not be farmed successfully. Gradually, as population has increased, farming methods have improved, and marketing conditions have become different, these economic units have become even more insufficient.

Assistance has been necessary to the Indians. But assistance has come in a manner similar to a parent holding out a small piece of candy just out of reach of the child. Uniformly, the assistance has been of a temporary or immediate type, without regard to long-range future planning. Our people wish to assist themselves and improve their economic plight. We will do so if given the opportunity.

However, many generations of mistakes in dealing with the so-called Indian problem cannot be rectified by one fell swoop taking the form of termination.

In 1953, the Congress passed House Resolution 108, which the Commissioner of Indian Affairs has interpreted as a directive to abolish Federal responsibility for the Indians as quickly as possible. Since this time, our people have lived under the constant threat that the candy which is already out of reach will be removed completely from view. Termination would eliminate the last possibility for our people to attain a substantial educational and economic level of well-being for many years to come.

The Indian leaders throughout our country have worked diligently in an effort to find some solution to our difficulties. In 1954 the executive council of the National Congress of American Indians adopted a point 4 program for the American Indian. The elements contained in the program are substantially as follows:

1. For each reservation there should be a master plan, based on complete surveys of all resources above and below the ground, including water resources, and plans should be developed to obtain maximum family subsistence from the resources. Requests for appropriations should be supported in all major details by reference to the priorities and requirements of the reservation plan.

2. For each reservation there shall be a planning commission (or committee) authorized by act of Congress to call upon the departments of the Federal Government for assistance in gathering data and for technical advice, such commissions to consist of representatives of the tribe or tribes residing on the reservation, to be selected in a manner prescribed by the tribal governing body. No plans shall be submitted to Congress that do not have the prior approval of such reservation planning commissions.

3. Requests should be submitted to Congress immediately for authority, if needed, and funds to carry out the necessary investigations and to prepare plans for Indian lands lying within the major river drainage basins. If actions to adjudicate Indian water rights are involved, such actions should be initiated.

4. Funds should be requested to carry out timber surveys on Indian forest lands and to prepare programs for the orderly harvesting of Indian timber. Indians should be encouraged to enter into commercial production of lumber.

5. An adequate revolving credit fund should be established to permit Indians to acquire livestock and farm equipment and to develop business and industry

in their home communities, the amount of funds for any given reservation and the plans for the use of such funds to be determined by the reservation planning commission.

6. An adequate land-purchase fund should be made available to permit Indian tribes to buy up heirship lands and lands in non-Indian ownership where these are strategically located with reference to water and other Indian landholdings, with reimbursement to the United States on terms at least as favorable as those accorded farm tenants under existing law.

7. Action should be taken immediately to transfer to tribal ownership submarginal lands acquired with emergency relief funds for Indian use, and to restore to the tribes lands withdrawn from homestead entry but never preempted.

8. A program of on-the-farm and on-the-job training, comparable to the GI-training programs with Federal financing, should be initiated.

9. A national policy with respect to the taking of Indian lands for public purposes should be promulgated.

Steps have been taken to move in a direction consistent with this planning, but necessarily the progress has been slow. The 85th Congress had before it, for its consideration, Senate Concurrent Resolution 3, which our people unanimously supported along with the other Indian tribes throughout the country. This resolution, in effect, would have wiped House Resolution 108 off the of the books and would have given the people the opportunity to have proceeded without the fear of termination hanging over their heads. Unfortunately, in spite of the able assistance given us by Senator Neuberger, Senate Concurrent Resolution No. 3 was not passed. Of course, this resolution would only have acted as a guide to the Bureau of Indian Affairs and would only have been effective had the Bureau made a sincere effort to use it as a guide. Disregarding for the moment all of the practical problems and difficulties involved with termination, and analyzing it from the standpoint of the welfare of our people, it seems clear that no one can logically argue that our people will be benefited by having all of their tribal assets liquidated and suddenly divided up; then having their entire social system changed; and then suddenly finding themselves entangled in a maze of legal, social, and economic problems. Of course, many of our people will be able to step forward promptly and cope with the problem. By far the majority will not.

Education and intelligent economic planning among our people would eventually eliminate the problems and hazards of termination. Our people, given the opportunity and the time, can make the transition freely.

It is the feeling of the people of the Confederated Tribes of the Warm Springs Reservation of Oregon that termination as it is being conducted on the Klamath Reservation is premature and ill considered. If it is too late to reconsider, as much time as possible should be allowed before bringing about the final termination date. It is difficult for our people to understand why, in the case of the Menominees, all of the termination costs were paid by the Federal Government, whereas in the case of the Klamaths only one-half of such expense is being paid. This may well be an insignificant item compared to the loss the Klamaths very well sustain as a result of the premature action. The resources of the reservation, if held in trust for the Klamaths and wisely used in connection with an intelligent plan, could furnish an asset to the Klamath people as well as to the State of Oregon for many years to come. We are deeply concerned with the fear that under the present course of action it may well result in a liability to the Klamath people and to the State of Oregon.

One other element should be considered in discussing termination. Article VI of the Constitution of the United States provides, in part, as follows:

"This Constitution, and the Laws of the United States, which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

We should consider seriously whether or not termination, as it is now being carried out, is a violation of the treaties made with the Indians. The United States can justly be proud of its conduct in honoring treaties with foreign nations. We are advised by our tribal attorney that the termination of an Indian tribe with a treaty similar to that entered into with the Warm Springs Indians would be a direct repudiation of a treaty, in the absence of consent, by the people affected. We urge this committee, the Senate Interior Committee, and

the Congress of the United States to move cautiously and carefully in affecting so violently the lives and property of so many people.

We appreciate the opportunity of appearing before the committee, and we thank you, Mr. Chairman, for the time allotted to us.

AVEX D. MILLER,
Chairman, Tribal Council.

UNITED STATES SENATE,
November 4, 1957.

MR. WALTER LEUTHOLD,
President, National Lumber Manufacturers Association,
Washington, D. C.

DEAR MR. LEUTHOLD: On October 30, 1957, your organization submitted a statement to Senator Neuberger, chairman of the Indian Affairs Subcommittee of the Committee on Interior and Insular Affairs, stating that:

"Reportedly, Senator Wayne Morse, of Oregon, coauthor of S. 2047, has supported legislation in the Congress for the disposal of the Klamath Indian Reservation assets without reference to the sale of such assets to the Federal Government."

I shall not at this time give you the benefit of my views on your entire statement, which in my judgment, contains a series of false premises and erroneous conclusions. However, in order that the record will be crystal clear as to what Wayne Morse reportedly did, I should like to advise you of the facts. These are facts which anyone could obtain by consulting the Congressional Record and the legislative record.

On July 25, 1945, on behalf of Senator Guy Cordon and myself, I introduced a bill (S. 1313) to remove restrictions on the property and moneys belonging to enrolled members of the Klamath Indian Reservation in Oregon to provide for liquidation of tribal property and distribution of the proceeds thereon and for other purposes. On page 8042 of the Congressional Record for the 79th Congress, 1st session, you will find I said:

"That in introducing the bill the Senators from Oregon have done so for the consideration of the Indian Affairs Committee. We are not members of the committee. We are not prepared to pass upon the merits of the bill * * *. We wish to make it perfectly clear that we are introducing the bill at their (persons in Oregon) request." No action was taken on this bill.

On May 2, 1947, Senator Cordon and I again joined in the introduction of a similar bill (S. 1222). Page 4457 of the Congressional Record for the 80th Congress shows that I said again:

"We want the record to show 2 or 3 things very clearly: First, that the bill is being introduced at the request of a certain group, and, I think, properly described as a certain faction, within the Indian Reservation, that it is being introduced at the request of certain officials of the county, including the county judge, and it is being introduced in behalf of certain civic bodies, who at least want the bill introduced for the purpose of hearings.

"The senior Senator and the junior Senator from Oregon do not take any final position on the merits of the bill. We are introducing it because we are in agreement that it is a bill which ought to go to hearing, and because we need, it seems to us, the judgment of the Subcommittee on Indian Affairs of the Public Lands Committee. In fact, two of the Senators on that committee, including the chairman of the subcommittee, have said to us that it is very difficult for them to proceed with the consideration of the problems of the reservation, as they pertain to the subject matter of this bill, in the absence of the bill itself being introduced."

The record is so crystal clear that this legislation was introduced by request that I fail to see how your spokesman could say that I reportedly supported this legislation. In order to further insure the accuracy of my facts I point out to you that hearings which were held on S. 1222 show that I never testified for or against this bill, and that both Senator Cordon and myself maintained our original position on this legislation that all we desired was that it receive a fair hearing and judicial consideration from the proper committee of the Senate. This legislation was not even reported by the committee and thus the record speaks for itself—that no one associated with this legislation was willing to knowingly approve a bill which would liquidate these great resources for a few paltry dollars.

I would also add that Public Law 587 which originated in the 83d Congress was neither sponsored by me nor did it have my support.

I would like you to know that I am concerned over the fact that a spokesman for your organization took it upon himself to present an opinion as to my course of action to a committee of the Senate without even making an effort to check the record or to check with me. I am deeply disturbed because your main office is here in Washington, D. C., and it would have been a very simple matter to secure the facts from my legislative files. For that reason I am making a special request to the chairman of the Committee on Interior and Insular Affairs that this letter be made a part of the printed hearing record on S. 2047 and that it precede the statement you filed with the Indian Affairs Subcommittee.

It would be appreciated if you would instruct the employees of your organization to check the facts before they ever again attempt to state my views to a committee of the Congress.

Sincerely yours,

WAYNE MORSE.

NATIONAL LUMBER MANUFACTURERS ASSOCIATION,
Washington, D. C., October 30, 1957.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: This letter outlines the views of the National Lumber Manufacturers Association relative to S. 2047, a bill to provide for the acquisition by the United States of all tribal land of the Klamath Tribe of Indians. Hearings were held by your subcommittee on this measure at Klamath Falls, Oreg., on October 2 and 3, and Portland, Oreg., on October 4. It will be appreciated if this letter will be made a part of the record of those hearings. Our remarks will relate essentially to the Klamath Indian Reservation timberlands.

The National Lumber Manufacturers Association believes: that (1) S. 2047, if enacted, would transfer privately owned timberlands to the ownership of the Federal Government and thereby deprive private industry and private persons, including the Klamath Indians, of the opportunity of owning forest land in an area where the bulk of such land is already in public ownership; (2) the Klamath timberlands are commercial in character and are suitable for permanent ownership and management by private enterprise; (3) the public interest will be better served by public sale of the Klamath timberlands as contemplated under Public Law 587 (68 Stat. 718), as amended, than by the enactment of S. 2047. These views will be briefly discussed in turn.

(I) There exists misunderstanding relative to the present ownership of the Klamath timberlands. They are not in public ownership or quasi-private or public ownership. They are privately owned lands and they are for this reason subject to such disposal as their owners (the Klamath and affiliated Indians) prefer. It is our understanding that the official representatives of these Indian owners approved Public Law 587. They thereby approved of public sale (as implied in that law and as indicated by subsequent actions under the law) as the manner of property disposal rather than disposal to the Federal Government. Furthermore, it appears that Public Law 587 as amended was approved by the Department of the Interior; that the Oregon Legislature in 1953 memorialized the Congress of the United States to terminate Federal supervision over the Klamath Indians and divide the assets among the enrolled members; that at one time the officials of Klamath County and other groups in that area strongly supported legislation of this nature; and that, reportedly, Senator Wayne Morse, of Oregon, coauthor of S. 2047, has supported legislation in the Congress for the disposal of the Klamath Indian Reservation assets without reference to the sale of such assets to the Federal Government. S. 2047, therefore, comes at a time when long and careful deliberation and general agreement have jointly formulated a law which to the parties of interest seemed to be a workable procedure. In the consideration of this problem, the predominance of Government ownership of land in the area may have been influential in providing for a public sale procedure.

(II) The best evidence that the Klamath timberlands are suitable for permanent ownership and management by private enterprise is the fact that extensive areas of similar timberlands adjacent to the Klamath Reservation and elsewhere throughout the western pine region are under good forest management and are included in certified privately owned tree farms. The purchase of the

Klamath timberlands by private enterprise would involve substantial investments. It is believed that such investments would be forthcoming and that they would for the most part be based upon stable ownership and long-range management objectives. Public sale under Public Law 587 as amended will, in our opinion, result in the extension of the tree farm movement to the timberlands sold, if not immediately in all cases, then in due time. If private enterprise, therefore, is accorded the opportunity of buying the timberlands in fee simple at a properly appraised current fair market value (as defined below), it is believed that such timberlands will be sold, judging from expressions of interest which have come to our attention.

It should be emphasized that the term appraised current fair market value is used here in its usual legal sense to mean an estimate of the highest price arrived at in a public sale between informed and willing buyers and an informed and willing seller under the special circumstances included in Public Law 587, as amended, which govern the period of time during which the Government as the seller is required to dispose of the property through the individual sale of many timberland tracts in a specific area.[1] It is obvious that if the appraised prices placed on the tracts (below which bids will not be accepted by the Government from prospective buyers) are higher than the market will accept, few sales will be made. It is also clear that the appraised current fair market value of a tract of timberland is, or should be, an expression of the highest bid price in the market place made by a bidder acceptable to the seller. When value is so determined, there can exist only one value for the same piece of property at a given time. It is believed that Public Law 587 intended that the appraisal of the Klamath Indian Reservation property should be made on the basis of its fair market value and that this term was used in the sense here suggested.

(III) Retention of the maximum possible proportion of forest land in private taxpaying ownership has long been the keystone of the forest policy of the National Lumber Manufacturers Association. More than one-fourth of the commercial forest land and 40 percent of the Nation's sawtimber is today in Government ownership and control.

In the State of Oregon 51 percent of the land area is in Federal ownership and 54 percent of the total commercial timberland area is federally owned. Furthermore, 59 percent of the live sawtimber volume on commercial forest lands in Oregon is Federal property. The Klamath timberlands involve some 745,000 acres and over 4 billion feet of timber.[2] If they are acquired by the Federal Government, such acquisition will add significantly to its land and timber holdings in Oregon. In view of the already existing large Federal holdings in Oregon, it would appear to be contrary to the public interest to increase such ownership. The expansion of private enterprise in the forest products field can be encouraged by providing, as in the case of the Klamath, for the transfer of suitable commercial forest lands from public control to private control. Should not this be the object of public policy under our American system of private enterprise?

If the Klamath timberlands are acquired by the Federal Government, such action will undoubtedly set a precedent for the purchase of timberlands on other Indian reservations as the program of termination proceeds. This fact, more than any other, justifies the concern we have in the Klamath problem. We are advised that there are on Indian reservations and in tribal ownership some 5 million acres of commercial timberland and perhaps 30 to 35 billion board-feet of timber. If all this land and timber were eventually acquired by the Federal Government, it is conceivable that the cost to the taxpayer would be well over $500 million. And this is not all. Some 35 million acres of tribal Indian reservation grazing and woodland, in addition to the 5 million acres of timberland, are held in trust by the United States for the Indians. Would these lands, too, be acquired by the Government at the time the timberlands were acquired? If so, what would they cost? These facts and question should be carefully considered before S. 2047 is approved. It is possible that if the termination program is now to be predicated on Government purchase of the Indian reserva-

[1] Although the period of time provided for the sale of assets was extended by the act of August 14, 1957 (71 Stat. 347), there exists some question as to whether or not such extension still provides adequate time for the most advantageous sale of assets. Also it may be noted that the present law apparently requires cash payment in full at the time of sale.

[2] These lands have been well managed over the years and represent today, therefore, substantially greater worth than would otherwise be the case.

tions, we may see the program essentially beginning and ending with the Klamath Reservation.

For many years the Congress of the United States and the executive department of the Government have urged the greater application of the science of forestry to private lands and the expansion of private sustained-yield forestry practice throughout the Nation. Encouragement has largely taken the form of financial subsidies, demonstrations and education. Today good forestry practice on industry-owned timberlands is the rule rather than the exception and conditions on the smaller holdings are progressively being improved. Changed economic circumstances have been largely responsible for this favorable development. It is the desire of industry to further expand or extend the practice of sustained-yield forestry. The Klamath timberlands present both a challenge and an opportunity to do this. It would seem consistent with past practice and policy for the Congress and the executive department, therefore, to encourage the transfer of the Klamath timberlands, which are made available for disposal, to continued private ownership rather than Federal ownership.

The Federal taxpayer can well question the proposal that the Government purchase the Klamath timberlands. To illustrate the financial aspects of such a transaction let us suppose that the Government is able to purchase these lands for $50 million.[3] The annual profit and loss statement then might look something like this:

Annual receipts:	
Sale of timber	[1] $2,250,000
Grazing fees	50,000
Total receipts	2,300,000
Annual costs:	
Interest	[2] 2,000,000
Administrative costs	[3] 260,000
Payment in lieu of taxes	[4] 575,000
Total costs	2,835,000
Annual deficit	535,000

[1] Sale of 75 million board-feet annually at average price of $30 per thousand.
[2] Interest at 4 percent on $50,000,000.
[3] Average annual minimum administrative cost of 35 cents per acre for 745,000 acres of timberland (591,580 acres sawtimber and 153,700 acres lodgepole pine), including costs for fire, insect, and disease protection, construction and maintenance of roads, buildings, and other improvements, timber-sale preparation and supervision, tree planting and stand improvement, purchase of equipment, etc.
[4] Calculated as 25 percent of gross receipts, same as for the national forests. Admittedly it is impossible to prejudge how Congress will provide for this type of payment. The estimate, therefore, may be too liberal.

Obviously, the annual deficit of $535,000 would increase or decrease in proportion to the amount above or below $50 million the Government actually paid for the lands and to variations in other factors. Under the assumptions made there would be no revenue available to pay off the $50 million indebtedness. (Most of the proposals we have seen for a Government purchase payment are in excess of $50 million.) It is perfectly apparent that the Government would not have to incur annual deficits and borrow $50 million from the taxpayers if the lands are sold to private enterprise. Then not only would private management in due time provide substantially equal onsite benefits (timber production, water and game production, etc.) but would under favorable economic circumstances be able to intensify utilization of the timber, develop greater industrial and community stability and larger payrolls, and, at the same time, pay into the Federal Treasury a share of the income received from such undertakings. Private landownership would permit long-range planning for the development and use of timber resources by the dependent landowning industries. Government ownership would not permit this to the same degree because no individual operator or industry could feel certain of a guaranteed annual supply of timber under Government policies which must provide for the competitive sale of timber. We are confident that this is a realistic appraisal of the situation under the conditions we have previously outlined.

[3] This figure does not represent what NLMA thinks the timberlands are worth as it has made no appraisal or estimate of such worth. The figure is used for illustrative purposes only.

In summary, our study of the Klamath situation convinces us that after a fair and realistic appraisal has been made, the sale of the Klamath timberlands under Public Law 587, as amended, to the highest private bidders under reasonable terms and conditions will result in stable ownership and good forest management of the lands sold. It will extend the area upon which private forestry can be practiced and encourage private forestry enterprise including the acceleration of integrated operations and the maximum utilization of each tree. It will not only provide a solution which will cost the general taxpayer nothing but will provide annual local, State, and Federal taxpayments.

Sincerely,

A. Z. NELSON, *Forest Economist.*

SUPPLEMENTAL STATEMENT OF O. K. PUCKETT

PUCKETT & SCHERER,
Klamath Falls, Oreg., October 3, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: Since our meeting with your board yesterday several things have been brought to my attention—one especially. Some seem to think in our conversation against the Forest Service taking over the Klamath Indian Reservation that we were picking on personalities. This is certainly not right as far as our local Forest Service officer is concerned. We have had several deals with our local office, all of which were handled very satisfactorily. As a matter of fact, we think Bob Cooper is one of the best foresters in our district. We feel the same way about Lakeview and Ashland, but it is Forest Service practices in general and those who draw the contracts that make it almost impossible for a small operator to operate.

For example, I would like to quote you the following contract: Total contract was for 5,432,480 feet and the amount was $176,713.63. This was on actual log scale. We were asked to put up $17,000 when we bid, an additional $105,000 before we could cut, and build a $26,000 road under Forest Service plans. Yet we had to do our own surveying, and this road cost several thousand dollars more than they anticipated. When the contract was completed they had asked for payments amounting to $242,000 making an overpayment of $65,286.37. The last payment demand was for $35,000 on October 12, 1956. This was a demand for immediate payment or a shutdown of operations, and our payment was made on that date. We received our refund on January 18, 1957, of $60,000. The balance they still have. Interest cost to us on the total overpayment for the 97-day period stated above was $1,040. We assume the balance they are still holding will be refunded when we burn our brush. We are also still carrying our bond.

I quote these figures to you only to show you how this contract was handled and how hard it is for small operators to buy Forest Service timber. I figure this overpayment was strictly lack of supervision in the woods, as it is certainly not their intention to overcharge that amount, and again lack of manpower and foresters.

I would like to remind you that Bureau of Land Management timber is sold on cruise. There is very seldom over 5 percent difference, and this 5 percent generally comes because the purchaser has a right to remove all logs or trees marked. They sometimes take logs that might not be considered merchantable by the Forest Service. The Forest Service in the Umpqua National Forest, primarily on fir and white pine, use a decimal C long log scale. In the Medford district they also use the same rule. However, in the Klamath district and the Lakeview district they use a short log scale decimal C. Difference is from 10 to 15 percent in these two rules. We see no reason why the Forest Service should not have one practice and one rule to scale timber by. Also, we run into a 40-percent defect in the Umpqua National Forest, which again proves this timber should be harvested and allow the new growth to take over.

I sincerely hope there is something you can do in regard to payments to the United States Forest Service, but I assure you I am not putting this responsibility on to the foresters, as they can do nothing about it. It has to come from the Forest Service Management.

Very truly yours,

PUCKETT & SCHERER,
O. K. PUCKETT, *Partner.*

SUPPLEMENTAL STATEMENT OF MANAGEMENT SPECIALISTS, RE WEYERHAEUSER STATEMENT

MANAGEMENT SPECIALISTS,
KLAMATH INDIAN TRIBE,
Klamath Falls, Oreg., October 30, 1957.

Hon. RICHARD NEUBERGER,
Chairman, Senate Indian Affairs Subcommittee,
Senate Office Building.

DEAR SENATOR NEUBERGER: After reading the statement submitted by the Weyerhaeuser Timber Co. at the hearing held by the subcommittee in Portland, Oreg., on October 4, 1957, I asked Mr. Earle Wilcox, our staff forester to study the statement and to submit to me his comments thereon.

I am enclosing a copy of the memorandum which Mr. Wilcox has prepared pursuant to my request. In view of the widespread interest which has been created by the Weyerhaeuser statement you may wish to include Mr. Wilcox's comments thereon as a part of the record of the hearing. If you do so, you may consider that Mr. Favell and I are endorsing Mr. Wilcox's views as an expression of our own beliefs concerning the Weyerhaeuser proposal.

Yours very truly,

T. B. WATTERS, *Chairman.*

OCTOBER 16, 1957.

Memorandum to: Mr. T. B. Watters, chairman, Management Specialists.
From: Earle R. Wilcox, Forester.
Subject: Weyerhaeuser Timber Co. statement regarding Klamath termination (October 4, 1957, hearing of Senate Subcommittee on Indian Affairs).

On October 4, 1957, the Weyerhaeuser Timber Co. presented a statement concerning the Klamath termination program at a hearing held by the Senate Subcommittee on Indian Affairs at Portland, Oreg. After the statement was read for the company by Mr. George Weyerhaeuser, Senator Neuberger and members of his staff questioned Mr. Weyerhaeuser at considerable length. The comments contained herein pertain both to the company's written statement and to the oral answers which Mr. Weyerhaeuser gave to the questions asked.

To start, I believe that the company should be commended for the straightforward statement which it has made. Although there are parts of the statement, as well as of the general information conveyed by Mr. Weyerhaeuser during the questioning period, with which I am not in agreement, the company has generally supported the basic conclusions which have been obtained by the Management Specialists relative to the detrimental effects of the sales of forest property, as presently contemplated by Public Law 587. In fact the Weyerhaeuser document contains conclusions concerning the Klamath termination program which I had long hoped would be made public by the lumber industry through its representative associations.

My remaining comments on the Weyerhaeuser presentation are enumerated as follows:

1. During the questioning period Mr. Weyerhaeuser indicated that the company's proposal was a new approach. It is indeed the first extended presentation of such a solution. However, the Management Specialists have considered a similar proposal. This has been outlined in the presentation of the Management Specialists that has been made part of the record of the October 18, 1956, hearing of the Senate Subcommittee on Indian Affairs. Page 73 of the official record of that hearing lists as proposal No. 5 a brief statement concerning such a plan. In that statement the subsidy which it was proposed that the Government pay was termed the difference between the wholesale and the retail values of timber. The basic conclusion, obtained by the Management Specialists, concerning this proposal is as follows: "* * * only the large operators with considerable financial backing would be able to compete for the relatively large units required for sustained-yield production."

2. The Management Specialists' conclusion concerning proposal No. 5, discussed under item 1 above, applies with equal force to the Weyerhaeuser proposal. This has been recognized by the company as evidenced by the following comment contained on page 10 of its mimeographed report: "In order to accommodate the needs of the smaller companies the timber should be offered for sale in

parcels of varying sizes. Some should be small enough to be handled by any company. As an alternative, part of the timber might be held by the Government for periodic sale of the allowable cut."

The Weyerhaeuser suggestion that "part of the timber might be held by the Government" denotes that the company is aware that sales of small sustained-yield units to small operators are impractical. It also underlines one of the principal reasons why the Management Specialists have recommended Federal acquisition. Even a small sustained-yield unit will require a tremendous investment. In order to supply an annual sustained yield cut of only 5 million board-feet an operator would have to maintain a continuing investment of some 275 million board-feet of growing stock. When computed at the sustained-yield value this growing stock would cost the small operator almost $3 million. Even an investment of this magnitude would sustain only about 20 percent of the productive capacity of one of the medium-sized sawmills operating in the Klamath Basin. Such an investment is a virtual impossibility for any except large-scale operators.

Unlike the Weyerhaeuser Timber Co., the Management Specialists have not believed that it would be advisable to recommend a solution to the Klamath dilemma that would automatically exclude the small and medium-sized operators from the same consideration as that afforded to the large operators. To the Weyerhaeuser suggestion that part of the timber be held by (presumably purchased by) the Government for sale to the smaller operators, one might ask this question: "Who is to determine the amount that should be so reserved in Government ownership for sale to small operators? Any person who attempts to provide the answer to this question will certainly be risking the gantlet of public opinion unless he decides, as the Management Specialists have decided, that nothing less than the entire tribal forest should be taken into Federal ownership so that all operators, large and small alike, can participate in the purchase of the timber to be sold under competitive bidding.

3. On page 6 of the Weyerhaeuser report the following conclusion has been derived: "* * * the liquidation value would probably not be materially greater than the sustained-yield value. This of course is a matter of professional opinion and, as is so often true, such opinion varies widely between foresters. The Management Specialists have heard opinions from responsible foresters that the liquidation value will be an amount from less than 50 percent of the full, undiscounted retail value to an amount that would be almost as high as the full retail value. It is interesting to note that both the lowest and the highest estimates of liquidation value which have been expressed to the Management Specialists have been voiced by men holding key positions in industrial forestry.

Unfortunately, it will not be possible to prove which opinion is correct without subjecting the Klamath property to the sales program which all foresters believe will result in serious injury to the economy of the local area. Naturally then, if the Weyerhaeuser Timber Co.'s proposal were to be accepted, the liquidation value which the Klamath Indians would insist upon, and which the Federal Government would be obligated to pay in order to prevent future claims, would be based on the opinion that established the highest liquidation value. Accordingly, the Weyerhaeuser conclusion that the liquidation value would not be materially greater than the sustained-yield value would probably prove to be inaccurate insofar as its application to the Klamath problem.

4. The Weyerhaeuser report has based the liquidation period on an assumption that the timber to be sold from the Klamath Indian Reservation under provisions of Public Law 587 would be harvested in Klamath, Lake, and Deschutes Counties. They have apparently failed to consider that once the value of stumpage is reduced by approximately $8 to $10 per thousand operators in the Redding, Calif., and Medford, Oreg., areas will likwise become interested. Thus, long before the stumpage value would drop to 50 percent, the timber would start to drain from the Klamath Reservation to those areas. This would materially shorten the period of liquidation and should result in a substantially higher liquidation value than has been implied in the Weyerhaeuser Co. statement. Attached is a copy of an extract from a page of the appraisal report covering the Klamath tribal property which is currently being printed. This extract indicates an outlet for the Klamath timber that is materially greater than that shown in the Weyerhaeuser statement.

5. On page 5 of the Weyerhaeuser report is contained the following statement: "A dollar payable at the end of 15 years, the period over which the timber might possibly be liquidated, is worth only 48 cents at a 5 percent discount, or 43 cents

at a 6 percent discount." This is a statement of unquestioned fact. However, what has been omitted from the explanation is the fact that most of the values to be realized from liquidation would be those prior to the 15th year. Thus there would be little or no discount on the portion liquidated during the first year and only 29 percent discount for the portion sold during the seventh year (assuming a 5-percent discount factor). For a 15-year period of liquidation the average discount would be only 31 percent at 5 percent or 35 percent when figured on the basis of a 6 percent discount. If the discount period were to be shortened to the 10-year period believed to be more realistic in view of the additional market area indicated under item 4 above the discounts would be only 23 percent and 26 percent, respectively, for the 5 and 6 percent discount rates.

6. Two comments adverse to the acceptance of the Weyerhaeuser proposal were brought out during the portion of the hearing that followed Mr. Weyerhaeuser's presentation. These are being listed here, together with my additional comment thereon:

(*a*) The imposing of full, sustained-yield restrictions on lands owned by private operators implies that compliance with such restrictions would have to be policed by some governmental body. This establishes a precedent which might be dangerous for private operators to accept.

(*b*) It would be extremely difficult to devise specifications for the proposed sustained-yield covenant that would assure true sustained-yield management and that would still be mutually agreeable to both the private purchaser and to the Government. The future problems of interpreting the sustained-yield covenant and of policing in accordance with those interpretations promise an unusual number of administrative difficulties.

An extension of the two thoughts expressed in (*a*) and (*b*) above indicates that under the Weyerhaeuser proposal the Government would continue its controlling influence over the privately owned portions of the Klamath forest property. This not only establishes a dangerous precedent but, by imposing new and different administrative problems, involves the Government (either State or Federal) in an entirely new and what might prove to be a disproportionately costly undertaking.

In writing the foregoing I may appear to have taken an entirely antagonistic view of the Weyerhaeuser proposal. However, since the good features of the proposal have been so ably presented by the company, I have, perforce, concentrated on the less desirable features.

[Extract from appraisal of Klamath tribal property]

PRODUCTION CAPACITY OF PLANTS WITHIN LOG TRANSPORTATION DISTANCE OF THE KLAMATH INDIAN RESERVATION

Production figures published by the Lumberman magazine for 1955 and 1956 and other sources yield the following information on installed capacity:

Annual production capacity within transportation cost range

Total transportation cost per thousand feet, board measure, for logs from the Klamath Indian Reservation:

	Million board-feet
$5 to $12	430
$12 to $16	230
$16 to $20	650
$20 to $24	300
Total	1,610

The above total could probably be increased if special rail rates can be arranged. This possibility is pointed out by Mr. Paul F. Graves' report, A Study of Oregon and California Marketing Areas.

Of the installed capacity above at least 500 million is accounted for by plants which are so situated that they could be strong bidders for the tribal timber. This does not include the Lakeview plants which may not bid at all, for the allowable cut on the Fremont National Forest is about sufficient for their needs and, unless the Fremont appraisals approach the tribal timber in prices, they have no need to bid except for acquiring a reserve or to invest money if the tribal timber is sold at a large discount.

The distant areas have shown some interest in Klamath tribal timber in the past. United States Plywood at Anderson, Calif., purchased one sale and Brooks-Scanlon of Bend has bid on one. At least two Klamath Falls operators have purchased timber almost as distant as Redding and presumably paid fair prices and operated it without loss. Distant log hauls have been noted elsewhere in the pine region as well as in the fir where quality logs have been trucked as far as 120 miles. In one case a Nebraska concern has shipped logs by rail from northwestern California to its Nebraska plant.

SUPPLEMENTAL STATEMENT OF DELFORD LANG RE WEYERHAEUSER STATEMENT

KLAMATH TRIBAL EXECUTIVE COMMITTEE,
Chiloquin, Oreg., October 26, 1957.

HON. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: At the time you were recently in Portland holding hearings in connection with your bill for Federal purchase of the Klamath Indian Reservation, the statement was made that you would require that all objections to such a purchase or any suggestions in regard to sale of the Klamath tribal assets reach your office by November 1.

I wish to go on record as being unalterably opposed to the plan submitted by the Weyerhaeuser Timber Co. and as being in favor of Federal purchase of tribal assets.

It is the feeling of the majority of my people that they should realize the retail value of the assets as appraised by the concerns engaged by the Management Specialists. We do not feel that the members of the Klamath Tribe should be made to suffer a loss merely to protect the interests of the Klamath Basin or people living in the area which is directly dependent upon the Klamath Reservation and surrounding areas for the stability of their economy. In other words, if the people in this part of the State and their governing bodies feel that the timber resources of the Klamath Reservation must be on a sustained-yield basis to protect their economy, then these people and their governing bodies should be the ones to absorb any loss resulting from such a plan or they should make plans to protect any damage to their economy, but any such plans for that protection should not be at the expense of members of the Klamath Tribe.

The basic premise set forth by the proposal of the Weyerhaeuser Timber Co. is that any commercial industry such as Weyerhaeuser cannot pay the full retail value for timber which must be cut on the sustained-yield basis. They then proceed to outline why and how this value is cut down so that the moneys paid by them for timber which is to be held under a sustained-yield plan will amount to only a fraction of the retail value of that timber at the time of the purchase.

All indications are that the timber could be sold to the highest bidders in blocks or in any other fashion so long as it can be cut immediately, and by doing so the members of the Klamath Tribe would realize the full value of their assets. It is neither our desire nor intention to accept a price which is only a fraction of the value of our resources in order to protect the economy of a portion of the State of Oregon and unless the Federal Government or some commercial concern is willing to pay the full retail value of these assets, we feel that the course which must be followed is for the Klamath Tribe to offer these assets to whomsoever is willing to pay their full value regardless of any effect on the economy of the Klamath Basin; and in fact I have been advised that any legislation or any act of the Department of the Interior which would result in a benefit to the people of the Klamath Basin at the expense of the Klamath Indians would be unconstitutional for the reason that it would discriminate against one group of people to the benefit of another.

We cannot accept the estimates of the Weyerhaeuser Timber Co. regarding the years required to log this land for in fact this is only an opinion and it is quite within the realm of reason that the entire area could be logged by enough interested companies in a matter of only 2 or 3 years instead of the 15 years estimated by Weyerhaeuser. Of course, such an operation would contemplate a crash program wherein the timber would be liquidated as rapidly as possible in order to take advantage of the present high prices and would not take into consideration any effects on the local economy.

In closing, I must point out that at the present time the Federal Government is acting as trustee of the Indians' property and would be violating the trust

if they accept anything less then the full value of the tribal assets. Actually the Government is obligated to secure every dollar possible for these assets regardless of any injury to others or any adverse effect to any groups of people or any section of the country, and regardless of what plan is followed by them to realize the full value of the assets.

Very truly yours,

DELFORD LANG, *Chairman.*

STATEMENT OF OLIVIA N. KIRK

BEATTY, OREG., *October 29, 1957.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.

Hon. SENATOR NEUBERGER: When Congress passed Public Law 587 in 1954 that was one time when the "cart was put before the horse." Ever since then everything regarding the law is going backward. The interest that has been shown by church groups, chambers of commerce, timber companies, and other groups, and the statements I have heard them make leaves no doubt in my mind that the "goose that laid the golden egg" (Klamath Reservation) for the Klamath Basin is going to die a slow death.

Why wasn't all their investigations that are being carried on by different organizations, Senate and Congress done before the bill was passed? Then perhaps a solution could be reached. Now the bill is passed and signed by the President of the United States. Amendments have been introduced and passed by new Members of Congress, and the Klamath termination bill is going no place fast.

I am a member of the Klamath Tribe and along with other members of the tribe voted against termination in any shape or form. Even though we were told by the Commissioner and other members of the Department of the Interior at a meeting at Klamath Agency in 1953, that regardless of what we did or said in our general councils regarding termination we did not have a choice in the matter as we would be terminated regardless. No thought was given to find out who it was going to effect or how.

This law is a good deal for the lawyers in the Klamath Basin. They are sitting back waiting to feather their nests with the fees that they well get from guardianships on our minor children who had no voice in the termination matter. The minors are the ones who will help pay the termination cost, guardianship fees, guardianship bonds, and court costs. By the time a minor reaches the age of 21 there will not be any money left for them to start their life with. The United States Government should be made to pay all of the guardianship costs for the minors.

If the State of Oregon bought our tribal asests, taxes would be raised in the State and Klamath County to help pay for their purchase, and the members of the Klamath Tribes as well as the minors would have to pay taxes to help the State buy our property. The same thing would happen if the United States Government purchased our timber. Federal taxes would be raised all over the United States; and again we the Klamath Indians would be paying into the United States Governments coffers; paying for what is rightfully ours.

Should a private company want to buy our timber we would still be on the dole system. As Mr. Weyerhonser stated, his company could only pay 50 percent of the appraised price and would have to take several years to pay the balance. A private company could not be made to cut under a sustained yield as the timber would belong to them. They would have to pay for their fire protection and other costs to protect their interests. The United States Government should be made to purchase all of the Klamath Indian timber at the appraised price if we have to sell our timber.

Our duck-hunting rights was taken away from us several years ago by a Federal migratory law. The Klamath Indian Tribes did not sue the Government for this. Our duck-hunting rights was one of our treaty rights. I and many other Indian people purchased Federal duck stamps to hunt ducks in season. Could I not ask the Government to reimburse me for buying duck stamps all these years, when it was one of my treaty privileges to hunt in season or out? Judge Solmon, of Portland, in his district court rendered a decision that the Klamath Indians could hunt anytime. And the word "hunt" means hunting anything to be hunted with firearms. He did not specify what kind of bird or animal.

In all the meetings I have attended no one has yet said who will pay the Klamath Tribes for their hunting and fishing rights. To purchase our hunting and fishing rights will run into several million dollars; or did Congress expect us to give up all of our treaty rights for nothing? They have already taken our duck-hunting rights from us; now they want to take our proud rights of being a free American Indian from us by putting us in the soup line, on welfare, and in the poorhouse along with our white neighbor.

We have our water rights on the Klamath Reservation, rights that are recognized by the State of Oregon. This water we have that flows from the reservation is worth millions of dollars to the Klamath Basin and northern California. Who will buy our water rights? I believe that our water rights are worth more than the timber on the Klamath Reservation.

There are thousands of acres of tribal grazing land and wastelands on the Klamath Reservation. I have not heard anyone say as to who will pay the Klamath Tribes for this class of land. So far all I have heard is who will purchase the Klamath Tribes timber.

There are the natural resources and mineral rights that should be protected for the Klamath Tribes, also the allottee who sells their allotments to non-Indians.

What guaranty do we have that after termination we receive a sum of money for our reservation, that the Government will not step in and charge us for the Modoc war, fish hooks and plowing implements, and dress goods that was given our ancestors? Or perhaps they may think up some new debts to put against the Klamath Tribes. By the time they get through dipping into our capital we won't have much left. This is what happened when we received money from the boundary suit in 1937. We paid for a war that was forced on the Modoc Tribe by the United States Government. Our Indian people were being forced on reservations all over the United States by United States troops. While Abraham Lincoln was trying to free the Negro from bondage the American Indian was placed in bondage. Forced them from their ancestral homes and lands. Placing them on small reservations by force and they could not leave this reservation without a permit. Why were not the American Indian educated and trained along with the Negro to be free American citizens side by side. Now look at the Negro race they are treated in the most shameful manner. Forced from schools and homes, treated like some wild animal. The very same descendants whose ancestors brought them into this country and sold them and bought them like animals. In a few years after termination the Indian people will be like the Negro. We will be forced out of schools, towns, and cities. We will be kicked from pillar to post. There is already racial prejudice in our city of Klamath Falls in some places of business—prejudice against the Indian. Who is there to judge his fellow man on the face of the earth? There should be but one judge, our Creator.

If the United States Government did not ratify our treaty in the first place we would never have all of this mess we are in now. Therefore, in fairness to the Klamath Tribes, people of the Klamath Basin and State of Oregon, it is only right that the United States Government buy our reservation, give us every cent we have coming to us in a lump sum and not the dole system. Protect our children and mineral rights and natural resources and not try to shove their obligations and duties off on the State of Oregon or some private enterprise. If this cannot be, leave us alone and do something about abolishing the Public Law 587 even if the Constitution of the United States has to be amended to fit the bill. The United States Government does not have enough money in the United States mint to buy my ancestral home, the Klamath Indian Reservation.

Respectfully submitted.

OLIVIA N. KIRK.

KLAMATH EXECUTIVE COMMITTEE,
Klamath Agency, Oreg., November 12, 1957.

Re S. 2047

HON. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: As you will recall, you quizzed several tribal representatives respecting their attitude on possible alternatives in the event it is not possible to obtain congressional approval of a Federal purchase bill. The

Klamath Executive Committee has given this additional consideration and submits this letter to you as representative of its majority views.

Briefly, the Klamath Executive Committee presently favors the following alternatives in the order listed:

1. Federal purchase in the manner contemplated in S. 2047, with amendments substantially similar to those approved by the Klamath Executive Committee on October 1 and presented to you during the hearings in Klamath Falls on October 2.

2. The principle embodied in the Weyerhaeuser Timber Co. proposal submitted to the subcommittee on October 4. (As we understand it, this proposal would provide substantially equivalent payment to the Klamath Tribe and members as under the Federal purchase plan. We have no desire or reason to argue the merits of private ownership as opposed to public ownership or the reverse, but we believe that the appraisal standards established in Public Law 587, or something very similar, should be retained as a measure for determining the amounts payable to Klamath members whether there is a sale to the Federal Government, private interests, or both.)

3. Repeal of Public Law 587. (We recognize that this objective might be more difficult than either of the above proposals. We believe that views consistent with this objective expressed by some members of the tribe are adequately covered in the testimony, and there seems no reason for additional comment at this time.)

4. Deferral of liquidating or terminating requirements of Public Law 587 for a period of approximately 2 years, during which time a review board would be established by Congress to make a complete study of the Klamath problem and make recommendations to Congress respecting desirable amendments to Public Law 587. This board should include representatives of the Department of the Interior, Department of Agriculture, the State of Oregon, representatives of Klamath and possibly other counties, Klamath tribal representatives, and public representatives. (While we do not believe this was specifically mentioned during the subcommittee hearings in Klamath Falls and Portland, it is not a new proposal. It was made as long ago as October 29, 1956, when the Klamath Executive Committee met with Commissioner Emmons and members of his staff in Portland, Oreg. To show that it is a matter of public record and has been discussed, we attach herewith a copy of a letter from the Klamath tribal attorneys to Commissioner Emmons dated November 23, 1956. As you will see, this letter reviews the possibilities discussed with Commissioner Emmons. We ask that it should be included in the record following this letter.)

5. In the event none of the above possibilities is acted upon, we urgently suggest an adequate extension of time during which sales of tribal property must be made to private interests in order to make cash payments to withdrawing members. (As you know, there is a wide variation in the time required for this function in order to achieve a reasonably adequate price. We believe that the management specialists are best equipped to estimate the time required within which to achieve the desired goal.)

With respect to the last alternative, we sincerely believe that this is a minimum "must" not only for those members of the tribe who wish to remain in the tribal organization, but also those who clamor or understandably desire to sever tribal affiliations. This feeling is based upon the apparently well settled conclusion that withdrawing members will, under the present law, receive considerably less payment for their interests than if a reasonable time is provided.

In any of the above possibilities, we believe the Congress should provide, and we request that your subcommittee use its influence to achieve, some method whereby all members of the Klamath Tribe be allowed to continue some form of exclusive hunting and fishing rights at least throughout their natural lives within the present boundaries of the Klamath Reservation. We also request that, particularly in the case of a sale to the Federal Government, careful consideration be given to the question whether mineral rights might be reserved to members of the tribe.

In conclusion, the Klamath Executive Committee wishes to express to you its appreciation for the understanding and unselfish manner in which you are approaching a solution of the Klamath problems.

Respectfully yours,

_____.

Committee members present: Delford Lang, chairman; Boyd J. Jackson, yes; Theodore Crume, yes; Dice Crane, yes; J. L. Kirk, Sr., yes; Dibbon Cook, yes.

CERTIFICATION

We hereby certify the contents of the foregoing letter as attached were duly approved in a meeting of the Klamath Executive Committee held on November 12, 1957, with a quorum present. Voting in favor of its submission for the record were five; opposed, none.

JESSE L. KIRK, SR.,
Chairman.
DIBBON COOK,
Secretary.

WILKINSON, CRAGUN, BARKER & HAWKINS,
Washington, D. C., November 23, 1956.

Re Klamath Tribe, possible amendments to Public Law 587.

HON. GLENN L. EMMONS,
Commissioner of Indian Affairs, Department of the Interior,
Washington, D. C.

MY DEAR MR. COMMISSIONER: At the meeting with you, members of your staff, and representatives of the Klamath Indian Tribe, in Portland, Oreg., on October 29, I set forth, on behalf of the Klamath executive committee, certain possible amendments to Public Law 587, 83d Congress, the Klamath Termination Act, for discussion purposes. As I advised at that time, these possibilities had been discussed with the Klamath executive committee in a meeting on October 28 and at certain other times in the past, and were presented for discussion.

It was suggested that these possibilities should be reduced to writing and supplied to you for consideration in the event you consider submission of amendments to Congress pursuant to the recent recommendation by Secretary Seaton. I shall attempt herein to set forth the possibilities discussed, emphasizing that these are bare outlines and will have to be developed more completely if your Bureau or the Department is willing to give further consideration to any of them.

1. We still believe that the most urgent requirement is that Congress be persuaded to defer for a reasonable time the duties imposed upon the Management Specialists under section 5 (a), (2), (3), (4), and (5). As you are aware, we feel there is a definite possibility that the Management Specialists may be required to carry out the remaining duties imposed upon them under section 5 (a) after the appraisal called for by subsection (1) is completed. We think, for instance, that the Management Specialists have no discretion but to provide for the election called for by subsection (2) after the appraisal pursuant to subsection (1) is "made." We are aware that you have held a contrary view, including the view that in the case of a loan made by a bank, a bank official would never consider an appraisal to be complete until he had checked it and approved it. The short answer to this contention is, in our judgment, the fact that Congress has not, in Public Law 587, provided any such opportunity for the Bureau of Indian Affairs, the Department of the Interior, or the Management Specialists to carry out or impose any judgment with respect to the appraisal. As the law reads, the appraisal has been "made" when completed by the appraisers, not by the appraisers and approved by the Secretary or anyone else, and the Management Specialists have no discretion but to proceed "immediately" to afford the opportunity of election under subsection (2).

Even if our fears might prove unjustified, we believe that such an amendment is desirable to be on the safe side, to be conservative of the rights of the Klamath people and their neighbors, and to forestall a possible disaster should the administrative reading of the statute be in error. For, as we have advised you, we are aware that some members of the Klamath Tribe have been advised by counsel that a mandamus action requiring the Management Specialists to proceed with the election under subsection (2) will lie immediately following completion of the appraisal by the independent appraisers, an event which we understand is scheduled to be completed on or about February 17, 1957. Even unsuccessful litigation should be avoided if possible. We can see no damage resulting to the Klamath Tribe or the United States if Congress is persuaded to defer the steps called for following subsection (1) of section 5 (a) and none has been pointed out to us by any representative of the Bureau of Indian Affairs or the Department of the Interior despite repeated inquiries whether

any potential injury would result from such an amendment. We call attention to the fact that disregard of the possibility that the administrative reading of the statute with regard to the vesting of rights instantly upon completion of the appraisal may be a reckless disregard of the liability which may thereby be inflicted on the United States for mismanagement of this trust property.

In short, unless some such injury is apparent to the Department, we see no reason for further avoiding or resisting such an amendment. If such an amendment is sponsored by the Department of the Interior, we suggest the necessity of a further amendment which will specifically authorize additional sales of timber on the Klamath Reservation during the period prior to termination. As the Department is well aware, a sizable portion of the Klamath Tribe, and probably many of the neighboring merchants, are dependent upon per capita payments to members of the Klamath Tribe from tribal timber sales. Although the solicitor has issued an opinion to the effect that such sales may be made during the period prior to termination under prescribed conditions, the question has been raised whether section 22 of Public Law 587 implies that Congress intended that no additional timber-sales contracts be made. We deem it advisable that any such uncertainty be clarified.

2. We believe it essential that a longer period for termination be provided to allow opportunity for education of the Klamath people on (*a*) the meaning of termination, and (*b*) basic training in management, particularly if all or a portion of the tribe is to assume responsibilities for management of all or a portion of the tribal property.

3. Public Law 587 requires individual members of the tribe to elect whether to withdraw or remain in the tribe and participate in some plan to be subsequently prepared. We submit that the Department should consider whether this procedure should be reversed and the plan prepared first, and whether it is more equitable to individuals to provide more data and prospective plans as a basis upon which individuals may make more intelligent decisions respecting their future.

4. Section 5 of Public Law 587 contemplates a division of property between the "ins" and "outs", the "ins" to thereafter have the remaining tribal property handled through a "trustee, corporation, or other legal entity." Assuming that the Department of the Interior is persuaded that, on the basis of studies to date, Public Law 587 will cause a forced sale of a substantial portion of the reservation, will result in sales at depressed prices, will adversey affect the economy of the surrounding area, will eliminate valuable watershed protection, and intensify a welfare problem, we submit the following possibilities as substitutes for the plan presently set forth in section 5:

(*a*) Federal purchase of the entire reservation or all forest land included within the reservation. This, possibly, oversimplified, is the proposal developed several months ago by the management specialists. It contemplates issuance of debenture bonds payable in 20 annual installments to all members of the Klamath Tribe. As we understand it, the proposal contemplates a price based upon an appraisal most favorable to tribal members. It also contemplates that such members may have an opportunity to surrender bonds at an accelerated rate at a discount. We raise the question whether the indiscriminate opportunity to discount at a reduced rate is advisable, since it would allow less cautious members of the tribe to dissipate the proceeds and possibly create a welfare problem well in advance of the period provided for full payment.

(*b*) Contractual arrangement with Forest Service of the United States Department of Agriculture under a contract or contracts, the land to be relieved of the trust which now requires supervision by the Secretary of the Interior. Under this possibility, the law could prevent or discourage alienation of the land, and it could be managed by the Forest Service under a contract with the tribe, profits from timber sales or other sources to be distributed in substantially the same manner as in the past. An alternative might be provided by division of the reservation between the "ins" and the "outs" and the negotiation of two contracts with the Forest Service, the one running to the "outs" to be for an indefinite or definite term as determined by the Congress, possibly with provision that the individual interest be alienable.

(*c*) There appear to be at least three possibilities under common trust arrangements:

(1) Remove the trust restriction on tribal land and authorize or direct the tribe to enter into a trust arrangement with nongovernmental sources looking toward management of all tribal property and distribution of income much in

the same manner as has been customary in the past. This is merely a substitution of a private trustee for the United States, the principal result being to subject the land to real-property taxation. Since this changed tax status will be a radical one, it is submitted that some consideration should be given to a means whereby the United States might arrange for freedom from some taxation for a designated period.

(2) Sale by the tribe to the United States of a sufficient amount of tribal property to pay the "outs" their pro rata share of tribal property, the remainder to be operated by a private trustee for and on behalf of the "ins." If the figures developed by Stanford Research relating to the election to withdraw are accurate, this approach may be faced with the fatal defect inherent in the fact that very little and possibly less desirable tribal property will be left with the "ins" for operation by the trustee. Also, the terrible impact upon the local economy foreseen under the present terms of the law will not be avoided to any extent in this alternative.

(3) Transfer of legal title from the United States to the tribe and establishment of a private trust for operation on behalf of the entire tribe, issuing to individual members some evidence of interest in the tribal estate, such interest to be negotiable only to the tribe or the trust. Under this arrangement, we would contemplate that the number of withdrawees (those selling interest) would be limited by the amount of funds made available for that purpose. We think this possibly should be given very serious consideration. Prior to enactment of Public Law 587, the interest of each member of the Klamath Tribe was limited to a right to share in distribution of tribal assets during his lifetime—something less than even a life estate. The ultimate objective of Public Law 587 is to convert this less-than-a-life estate into a vested interest as tenant in common of the fee. We think it is substantially a windfall for a person to be afforded an opportunity to "cash in" so emphatically under such legislation. We believe that those who wish to remain in a "tribe" or successor organization should receive better treatment than is accorded them by Public Law 587. One opportunity is presented by allowing an opportunity for negotiation between the "tribe" and the person desiring to "cash in" on his improved property status as to the amount to be paid a withdrawee. We think a provision such as this would accomplish this purpose.

5. Recognizing that all of the above possibilities have weaknesses, and being aware that the United States is faced with a tremendous responsibility in determining an equitable approach to surrender of supervision over tremendously valuable property and approximately 2,000 citizens, we suggest for your consideration the question whether there should be more study by the legislative and executive branches of the Federal Government, the State of Oregon and others. In recognition of this, the Klamath executive committee authorized me to suggest, in the October 29 meeting, that it might be advisable to present to Congress a proposal whereby what we chose to call a "superboard" would be established to take a reasonable time for a further study and make recommendations to Congress respecting desirable amendments to Public Law 587. As we see it, this board could include representatives of the Department of the Interior, Department of Agriculture, the State of Oregon, possibly including Klamath and other counties, representatives from the public, including the timber industry, and tribal representatives. As we view it, such a board should have no restrictions on the possibilities it is to consider, but should be faced with a reasonable time limitation within which to report to Congress.

Except for the amendment looking toward delay in the actions called for by the subsections following section 5 (a) (1), all of the above proposals relate to section 5, the heart of Public Law 587. Our emphasis on this section should not be taken to mean that we have relaxed our position in support of the following additional amendments:

(1) The United States Government should pay the costs involved in the termination process, since it is relieving itself of a continuing obligation to supervise the affairs of the Klamath Tribe;

(2) Exclusive hunting and fishing rights should be reserved at least during the lives of Klamath members;

(3) Mineral rights should be reserved for a reasonable number of years; and

(4) The "tribe" and "ins" should be accorded land purchase rights at least equal to those accorded to the "outs."

Although these represent thoughts of more than a year ago, we are enclosing single copies of memorandums to the Klamath executive committee dated Feb-

ruary 3, 1955, and June 14, 1955. Some suggestions contained therein relate to specific problems in sections of Public Law 587 other than section 5. Since our supply of these is very limited, we ask that these copies be returned to us after you and your staff have had an opportunity to examine them.

We shall be happy to discuss this or related subjects involving the Klamath Tribe with any of your staff at any appropriate time.

Respectfully yours,

WILKINSON, CRAGUN, BARKER & HAWKINS,
By: GLEN A. WILKINSON.

KLAMATH EXECUTIVE COMMITTEE,
Klamath Agency, Oreg., November 12, 1957.

Re timber values.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: The Klamath executive committee has forwarded to you, following its meeting of November 12, 1957, a statement respecting its attitude on S. 2047 and possible alternatives in the event S. 2047 is not adopted by Congress. The undersigned are writing this letter to you in an effort to give you their present thoughts concerning the proposal advanced by the Weyerhaenser Timber Co. during the hearings of your subcommittee in Portland, Oreg., on October 4, 1957.

Section 5 (a) (1) of Public Law 587, 83d Congress, directs the Management Specialists to "cause an appraisal to be made, * * * of all tribal property showing its fair market value by practical logging or other appropriate economic units." Subsection (a) (3) of the same section directs the Management Specialists to sell such of the tribal property as necessary, at the appraised value as established by subparagraph (1), to pay withdrawing members.

We understand that this is the standard utilized in the appraisal which has recently been completed and which will soon be made public. Whether the Klamath Reservation is purchased, in whole or in part by the Federal Government or private operators, we see no reason why the Public Law 587 standard of determining the price to be paid for Klamath property should be disturbed.

Aside from the fact that it represents a fair method of determining the amount to be paid to the Klamath Tribe or its members, the appraisal is an undertaking of considerable cost. We see no reason why the Federal Government or the Klamath Tribe, or both, should pay for an additional appraisal which, on its face, would appear to be a duplication of the job now nearing completion.

The Weyerhaenser Timber Co. proposal accurately and succinctly outlines the three capacities in which the Federal Government must operate in approaching the problem. We submit that its obligation as trustee of the property of the Klamath Tribe transcends its obligations as sovereign or proprietor. Therefore, if the Congress errs in the amount to be paid, it must err on the side of liberality, a requirement of its trust responsibility, rather than on the side of niggardliness, an attitude it might be tempted to develop as a sovereign or proprietor.

You will appreciate that this subject is complex. It is difficult for learned experts to comprehend. It is much more difficult for us. We have mentioned the appraisal test utilized in Public Law 587. In addition, we are now struggling with such terms as "retail," "wholesale," "full retail," "liquidation," and "sustained yield" as methods utilized to reach differing appraisal results. We therefore feel that you and your colleagues will understand that our views at this time can be nothing more than tentative in this field.

In conclusion, it seems to us that the most we can say at this time is that we have no definite impressions whether Federal or private purchase is desirable, but we believe that the appraisal standard set forth in Public Law 587, or some reasonable variation of that, should be used to compensate the Klamath Tribe or its members whether Congress approves a plan of Federal purchase, whether provision is made for purchase by private interests, whether a combination of those two possibilities is achieved, or whether the general principle now embodied in Public Law 587 is carried through. We believe that the fifth amendment to

the Constitution of the United States prohibits Congress from compensating the Klamath Tribe in any amount less than the fair market value.

Respectfully yours,

———— ————.

Voting in approval or disapproval of the above letter, for or against: Delford Lang, chairman; Boyd J. Jackson, for; Theodore Crumie, for; Dice Crane, for; J. L. Kirk, for; Dibbon Cook, for.

CERTIFICATION

We hereby certify the contents of the foregoing letter were duly approved in a meeting of the Klamath executive committee held on November 12, 1957, with a quorum present. Voting in favor of its submission for the record were: for, five; opposed none.

JESSE L. KIRK, Sr., *Chairman.*
DIBBON COOK, *Secretary.*

WILKINSON, CRAGUN & BARKER,
Washington, D. C., November 14, 1957.

Re S. 2047.

Hon. RICHARD L. NEUBERGER,
Chairman, Indian Subcommittee, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

MY DEAR SENATOR NEUBERGER: During the recent hearings of your subcommittee in Klamath Falls and Portland on the above-entitled bill, you advised that witnesses might have until November 1, 1957, within which to submit additional statements for the record.

Pursuant to your invitation, I am submitting this letter to correct certain statements made by Mr. Wade Crawford, a member of the Klamath executive committee, during the course of his testimony. I do this as counsel for the Klamath Tribe and with the permission of a majority of the Klamath executive committee.

Mr. Crawford complained that the Secretary of the Interior or his authorized representatives had arbitrarily severed the authorization of the three-man tribal committee composed of Mr. Crawford, Mr. Laurence Witt, and Mr. Seldon Kirk. In detailing this criticism, I do not beliee that Mr. Crawford gave a complete account. In justice to the Department of the Interior and the Klamath executive committee, which requested that the Secretary of the Interior withdraw approval for the committee to operate, we think the story should be complete. It is probably best explained by offering a complete set of correspondence between the Department of the Interior and the committee. The correspondence is attached to this letter. We request that it be inscrted in the record immediately following this letter. We think it accurate to say that this will demonstrate the authority of the committee was terminated justifiably because of a failure of the committee to comply with elementary budgetary requests.

Mr. Crawford stated, in substance, that the "constitution and bylaws of Klamath General Council constitutes an illegal document because it has not been approved by the Secretary of the Interior. I think this allegation has no basis of fact. The constitution was originally drafted by me. It went through considerable revision during the course of something like 10 or 15 conferences with a member of the staff of the Solicitor's Office of the Department of the Interior. Not until this long series of conferences was completed was it presented to the general council for approval. Since that time, it has repeatedly been recognized and referred to by representatives of the Department of the Interior. Although we submit that an Indian tribe may adopt such document as it chooses for the conduct of its affairs, we buttress this with the contention that there was approval by the Secretary or his authorized representatives before and after its adoption by the tribe.

With respect to the Klamath executive committee, Mr. Crawford charges, in substance, that (1) it does not represent the Klamath Tribe; any statement to that effect would be "false propaganda," and (2) it is not legally constituted because members of the tribe resident at points other than the reservation were not accorded an opportunity to vote by absentee ballot. I submit that the executive committee, of which Mr. Crawford is a duly elected member, does represent

the tribe. Its members are elected by qualified voters of the tribe voting at customary polling places within the reservation by secret ballot. It has authority to transact such tribal business as may be delegated to it by the general council (art. XI of constitution and bylaws of Klamath General Council). In the absence of action or review by the general council, it is the effective governing body of the Klamath Tribe. Nor is its legality subject to question because nonresident members are not afforded an opportunity to vote by absentee ballot. As you are aware, according of the right to vote by absentee ballot is a matter of grace, not a matter of right.

Mr. Crawford made the additional charge that the executive committee does not have authority to employ tribal attorneys. Again, he is incorrect. This power, set forth clearly in article V of the constitution, was delegated to the executive committee by the Klamath General Council on August 21, 1952. Mr. Crawford attacks this delegation because only 21 members voted to adopt it. Although this is true, the minutes of the meeting involved show that 115 voters were present. None voted in opposition. Mr. Crawford was present.

Mr. Crawford has consistently urged, during the past few years, that members of the Klamath Tribe are fully able to handle their affairs, that trust and restrictive checks should be removed, and that Public Law 587 should be carried out as first adopted into law. I think it fair to advise that Mr. Crawford's opinion respecting capabilities of his fellow tribesmen has not always been consistent with his present position. On January 24, 1934, when Mr. Crawford was superintendent of the Klamath agency, he wrote to Mr. Robert Marshall, then Chief Forester, United States Indian Service, respecting extension of contracts for cutting tribal timber. Among other things, he had the following to say:

"* * * I have certainly had a world of experience with them (Klamaths) these past 7 months, and I am frank to admit that I did not know the Indian but I know him now, and I also know that Mary Auston was right when she said the majority of the Indians had developed into a very degenerate white man.

"It is the firm opinion of Ida (Mrs. Wade Crawford) and myself that we were absolutely wrong in giving the Indians anything to say about their timber contracts. They are hopelessly incapable; and they are being corrupted. Public Act 435 should be repealed if the administration is going to do anything about it at all. The Secretary of the Interior should have the power to act for the Indians.

"I have plenty proof down here to prove absolutely that the Secretary should have complete say; these Indians are entirely incompetent. If anything is done to Public Act 435 repeal it or that part of it that gives the General Council power; * * *"

A copy of the complete letter is in our files. We will be happy to make it available to you if you desire.

I am sorry this letter is later than the November 1 deadline you set. It has been held until authorized by a session of the Klamath executive committee. This was done November 12.

In conclusion, I again respectfully request that this letter and the attachments be made a part of the printed record.

Respectfully yours,

WILKINSON, CRAGUN & BARKER,
By GLEN A. WILKINSON.

CERTIFICATION

We hereby certify the contents of the foregoing letter, were duly approved in a meeting of the Klamath executive committee held on November 12, 1957, with a quorum present. Voting in favor of its submission for the record were: For, five; opposed, none.

Members voting in approval: Mr. Delford Lang, chairman; Boyd J. Jackson, Theodore Crume, Dice Crane, J. L. Kirk, Dibbon Cook.

JESSE L. KIRK, Sr.,
Chairman.
DIBBON COOK, *Secretary.*

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., August 11, 1955.

Mr. LAURENCE WITT,
Klamath Tribal Committee,
Klamath Agency, Oreg.

MY DEAR MR. WITT: I have been informed that you were selected on June 27, 1955, by members of the Klamath Tribe at an election which I directed to be called to be a member of the tribal committee constituted pursuant to section 14 of the management specialists' contract. Section 14 of the contract states:

"*Consultation with the tribe.*—In performing their functions under this contract, the managers shall, to the maximum extent feasible, consult with the tribe, consider such suggestions as the tribe may make, and keep the tribe intermed of their plans and progress hereunder. *Such consultation will be with such representative body of the tribe as the Secretary may approve.*"

I am writing this letter to take care of certain administrative arrangements such as establishing rate of salary, per diem, and travel costs, etc., but more importantly to define your responsibilities as a member of the committee created at my request, and to lay down the procedures to be followed in working with the management specialists. A copy of this letter is also being provided the management specialists for their guidance. I shall be as specific as possbile with the hope that it will make easier a very important and difficult task and prevent any uncertainties or misunderstandings.

1. The primary function of the tribal committee is to serve as the tribal consultative body with which the management specialists will confer on matters pertaining to the tribe as a whole. The management specialists will of necessity also need to consult with the Klamath constituted general council. However, this tribal committee will serve to facilitate the contract work involving the management specialists and the general council.

2. The tribal committee does not abrogate or supersede any of the authorities or power of—

(*a*) The Klamath General Council;

(*b*) The Klamath executive committee.

3. The tribal committee does not carry any veto power over the management specialists, nor does the tribal committee have the right or authority to sit in on any meetings of the management specialists except upon the request of the managers.

4. The tribal committee is strictly a consultative committee and it does not have the authority or power to direct the management specialists, the Klamath Tribe or its constituted bodies on what they may or may not do. The authorities and required actions of the management specialists are set forth in the contract.

5. The responsibility for decisions as to how Public Law 587 will be administered has been placed by Congress with the Secretary of the Interior.

6. Section 5 (b) of Public Law 587 authorizes the Secretary of the Interior to expend tribal funds in such amounts as may be required for the purpose of carrying out section 5 of the law.

(*a*) The tribal committee members will be paid a salary and reimbursed for per diem or mileage expenses incurred for trips outside the Klamath Reservation and upon advance approval of the management specialists and the superintendent. Trips by this committee or by a member thereof, to Washington, D. C., will continue to require prior approval of the Commissioner of Indian Affairs.

(*b*) All time records, travel, and other expense vouchers submitted for payment by this committee will be certified by one of the managers. Where it is necessary for any member of the tribal committee to travel to a meeting required by the management specialists, travel time should be considered. Time records and expense vouchers will be submitted on dates established by the superintendent to permit efficient auditing and handling.

(*c*) The tribal committee shall in consultation with the management specialists prepare a budget, supported by justification and work plan. The budget should be prepared to reflect a salary rate of $20 per day when actually performing work pertinent to the functions of the tribal committee; $12 per diem for subsistence and other expenses while in travel status and 10 cents per mile for use of a personal car. This budget is to be forwarded through regular channels; i. e. general council, agency office, area office, and then forwarded to the Com-

missioner of Indian Affairs for final action. It is requested that this budget be submitted in time to reach the Commissioner September 15, 1955, which will permit time to obtain the general council's action as we understand the general council is scheduled to meet during the month of August.

7. It will be the responsibility of the tribal committee to observe and comply with the following requirements:

(*a*) Maintain records of meetings with the management specialists and keep the Klamath General Council informed of what transpired at such meetings. It shall also be the duty of the tribal committee to bring before the management specialists such suggestions as may be made by the tribe in general council.

(*b*) If it becomes necessary for the tribal committee to examine the Klamath Agency records, the superintendent or his designated representatives will honor such requests as are approved by the management specialists subject to the following conditions: The tribal committee will be given access to accounting documents evidencing collection and disbursement of tribal funds, but will not need nor is to have access to individual Indian money accounts, personnel records, welfare, or medical case records, Washington or area office correspondence. Agency employees are being advised they may assist the tribal committee or any member thereof, but only if the committee has first secured the prior approval of the superintendent or his designated representative to assure that there will be no interference with the performance of regular duties and responsibilities.

I am sure that in the next few months there will be many ways in which the tribal committee can be of real service to the management specialists and the general council in working out plans for carrying out the requirements of Public Law 587.

Sincerely yours,

CLARENCE A. DAVIS,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D. C., October 14, 1955.

Mr. T. B. WATTERS,
Chairman, Management Specialists,
Klamath Indian Tribe, Klamath Falls, Oreg.
(Through: Area Director, Portland.)

DEAR MR. WATTERS: This will refer to departmental letter of August 11, 1955, which outlined the functions and responsibilities of the Klamath three-man tribal committee.

It has been administratively determined that no changes will be made in the above-mentioned letter. Accordingly, reference is made to paragraph No. 3 which states in part "nor does the tribal committee have the right or authority to sit in on any meetings of the management specialists except upon the request of the managers." With this in mind, we believe it advisable for your office to establish a schedule of regular meeting dates with the tribal committee. It is of course understood that other meetings may necessarily be called from time to time. However, by having an advance release of scheduled meetings it will afford an opportunity to the committee to plan accordingly.

Your comments on this proposal will be appreciated.

Sincerely yours,

GLENN L. EMMONS, *Commissioner.*

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D. C., October 14, 1955.

Messrs. WADE CRAWFORD, SELDON KIRK, and LAURENCE WITT,
Klamath Tribal Committee,
Klamath Agency, Oreg.

DEAR MESSRS. CRAWFORD, KIRK, and WITT: Under date of October 7, 1955, we acknowledged receipt of your undated letter transmitting to this office a combined budget for the three-man tribal committee and the advisory investigating committee. At that time you were advised that your transmittal was

being given immediate attention and your committee should expect a reply shortly.

This letter is written to set forth the reasons why the budget as submitted is not approved by this office. Primarily the budget for the three-man tribal committee does not comply with departmental letter of August 11, 1955, and the budget for the advisory investigating committee does not comply with Bureau letter of August 11, 1955.

To avoid any confusion or misinterpretation, comments on the budgets for each committee are outlined separately:

BUDGET FOR THREE-MAN TRIBAL COMMITTEE

1. A special budget, not combined with any other committee budget, is required and should be submitted accordingly.

2. This budget must be prepared in consultation with the management specialists, as provided in paragraph 6 (c) of departmental letter dated August 11, 1955.

3. The budget must be submitted through the Klamath General Council for appropriate action by that body and channeled through the agency and area offices and then forwarded to this office for final action, as also provided in pararaph 6 (c).

BUDGET FOR ADVISORY INVESTIGATING COMMITTEE

1. A special budget, not combined with any other committee budget, is required and is to be submitted accordingly.

2. This budget should be submitted through the Klamath General Council for appropriate action by that body and then forwarded through regular channels to this office for final action.

Your transmittal included a copy of the Klamath General Council Resolution of January 18, 1955, together with Mr. Cohn's opinion on the legality of the resolution. Apparently you rely on the last sentence of this opinion which states "The superintendent should, therefore, in accordance with existing Federal regulations, comply with the resolution relative to the paying out of tribal funds the per diem, salary and expenses of the committee." This matter was taken up with the Solicitor's Office here and it has been determined that the above-quoted conclusion by Mr. Cohn has been given a meaning by your committee which is inconsistent with existing law and regulations because it takes away from the Secretary the discretion of approving or disapproving a particular expenditure of tribal funds. We wish to advise that the authority to approve expenditures of tribal funds rests with the Secretary of the Interior and it cannot be delegated to the tribe under existing law.

After Mr. Cohn's opinion was written on February 17, 1955, the Acting Secretary ordered a referendum election to select three members of the tribe for the particular purposes contained in departmental letter of August 11, 1955. The Secretary obviously is not going to authorize the tribal committee to perform conflicting functions or to exercise broader powers than it was set up to have, solely for the reason that an earlier tribal resolution created a committee to carry out an investigative function. The budget that will be approved for the tribal committee will be a budget prepared in consultation with the management specialists and submitted by the committee to the Klamath General Council for its consideration and approval. The budget submitted that committee will be a budget as a single unit as distinguished from a combined committee not authorized by the Secretary. After consideration and if approved by the Klamath General Council, the council will forward the budget to the superintendents of the Klamath agency for submission to this office through the area office. The money the members of the tribal committee spend will be spent only in furtherance of those purposes authorized by the Secretary in creating the committee.

On the other hand a tribal investigating committee may have certain warranted expenses which have no direct relation to the functions of the tribal committee. Therefore, it is required that the investigating committee submit a budget proposing the expenses it will need to carry out its functions. This budget will be submitted by the investigating committee to the Klamath General Council for its consideration and approval. After consideration and if approved by the Klamath General Council the council will submit the budget to the superintendent of the Klamath agency for submission to this office through the

area office. The approval of this budget will rest on the Secretary's discretion as to both amount of money and as to the purpose for which it is to be spent.

The combined budget your committee submitted is accordingly returned herewith with a request that it be revised, divided and resubmitted, pursuant to the instructions set out in Department letter of August 11 and Bureau letter of same date.

Sincerely yours,

GLENN L. EMMONS, *Commissioner.*

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D. C., November 30, 1956.

CHAIRMAN,
Klamath Tribal Executive Committee,
Klamath Indian Agency, Klamath Agency, Oreg.
(Through: Area Director, Portland.)

MY DEAR SIR: In accordance with the request set forth in the unnumbered resolution adopted by the Klamath committee on October 30, 1956, that the Secretary of the Interior disband and dissolve the Klamath 3-man tribal Committee, I am hereby withdrawing my approval of the authority of said committee to act as a representative body of the tribe, pursuant to paragraph 14 of the management specialists' contract approved May 9, 1955.

However, in view of the requirements of paragraph 14 of said contract that I approve a representative body of the tribe to act in a liaison capacity between the tribe and the management specialists, it appears desirable that there continue in existence such a representative body. If the tribal executive committee will undertake to act as the representative body called for by the contract, either as a whole or through such members of the executive committee as may be specially designated, I will be glad to consider, upon presentation of the appropriate resolution, the approval of such represeutative body to act in this capacity.

Sincerely yours,

F. E. WORMSER,
Acting Secretary of the Interior.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
November 1, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: The attached analysis of proposals to solve the problems relative to forest conservation raised by Public Law 587 is presented in response to your request.

Thirty-four witnesses appeared. Three made general statements that did not address themselves to S. 2047 or alternatives. Three Indian witnesses did not have fixed positions. The remaining 28 witnesses had definite views. There were 23 for Federal purchase, 1 for a combination of Federal and private purchase and 4 for private sale.

The witnesses suggested these four alternatives:

1. Let the timber sale for withdrawing members take effect in 1958 as provided in Public Law 587;
2. Amend the law to extend the time for timber disposal;
3. Amend the law to provide for sale to private buyers who would be required to practice sustained yield forestry;
4. Ameud the law to place the land in Federal management as provided by S. 2047.

If the timber is sold in the 2-year period provided under Public Law 587, the amount available to cut may temporarily exceed demand. Timber prices may be depressed, the Indians' realization reduced, and, possibly, the saleability of adjacent Federal timber adversely affected. An extension of the law to provide for orderly liquidation over a 10- to 20-year period would insure a better income to the Indians.

Under either the first or second alternative the extension of the timber-payment period over several years could reduce the discount for cash.

The discount for the assumption of market and ownership risks could only be canceled if the Indians held the timber and offered it in amounts the market could absorb annually over the best liquidation period. Neither of these two alternatives insures that conservation goals will be met, and, in fact, under both the liquidation purchaser would have a bidding advantage over one who desired to practice sustained-yield forestry.

The third alternative suggested would protect the existing sustained-yield program by placing the reservation in private forest industry ownership. The proposal recommends use of a sustainel-yield covenant in the deeds thus ruling out the liquidation buyer. It calls for payment to the Indians, by the Federal Government, of the difference between the sustained-yield price and the liquidation value in order to fairly compensate the Indians. This proposal also recommends that lands not bought by private parties be purchased by the Government. The Weyerhaeuser Timber Co., in presenting this proposal, clearly demonstrated that special financial and legal provisions would be needed to insure private sustained-yield forestry. It also focused attention upon the dimension of the conservation problems posed by Public Law 587. Certain factors must be considered in assessing its acceptability over S. 2047. Since the Government would have to pay the Indians the difference between the sustained-yield bid of private parties and the liquidation value the unrecoverable cost may be greater to the Government than if it purchased the reservation. This plan would regulate cutting on the lands purchased by private parties. The number of private bidders may be reduced.

The fourth alternative is to proceed along the lines of S. 2047 and have the Federal Government purchase the reservation. This plan would insure achievement of the conservation goals set by the third proposal and it might be possible to do so at less cost to the Federal Government. It would net the Indians as much as either the second or third proposal and would avoid the financial catastrophe of the first alternative. The Government might find it desirable to assess the national and local benefits and to pro rate to each level of Government the difference between the recoverable Federal investment and the amount paid the Indians. If the timber were placed on the tax roll either under sustained yield or for liquidation, local taxes would be substantially less than the 25 percent in-lieu payments. The unrecoverable portion of the Federal cost could be measurably reduced by considering some part of this difference as the local contribution for benefits received from Federal purchase. This course could not be followed if the third alternative were adopted.

A return of less than 2 percent on the sustained-yield value can be earned by this timber. If the reservation were purchased at its liquidation value for operation under a sustained-yield program, the rate of return would be even less. The low-earning capacity of the timber indicates that Federal purchase would be in accord with the thory that projects which do not assure normally profitable operation may properly be undertaken by the Government.

Federal purchase would insure all the conservation goals without resorting to regulating cutting on private lands. It would also provide broad benefits of wildlife management, recreation, and water conservation that could not be as definitely insured by private ownership.

Because the official appraisal has not been made available, all of the figures used are for example purposes and do not purport to be indications of the actual value of the Klamath Reservation.

There may be other alternatives but, to date, they have not been presented to the committee for consideration.

Sincerely yours,

ROBERT E. WOLF,
Forestry Consultant.

ANALYSIS OF PROPOSALS FOR IMPLEMENTING TERMINATION FOR THE KLAMATH RESERVATION

INTRODUCTION

It is a stark reality that experience to date under Public Law 587 demonstrates that neither the Klamath people nor anyone associated with the problem has

produced a solution built around the Klamaths, for and by themslves, retaining and managing this great resource which they have inherited. The termination program has revealed that perhaps three-fourths of the Klamaths want to liquidate their forest factory for cash, while one-fourth may want to stay in and continue a program with annual payments. Even for this latter group the Management Specialists and the Klamaths apparently concur that these people cannot manage their property themselves. Thus it is proposed that a private trustee take over the management of the property for those who elect not to liquidate their timber.

The outlook is that sound conservation programs, which have brought yearly dividends such as many people receive from inherited stock or other family investments, will be forsaken by the majority for liquidation.

PROPOSAL UNDER PUBLIC LAW 587 FOR THOSE KLAMATHS WHO WISH TO REMAIN IN AN ORGANIZATION

The Management Specialists have found that the Indians who would remain in a sustained-yield organization desired the services of a manager. A private trust has been suggested because under existing law substantial tax advantages could be obtained.

The proposed trust agreement would direct the trustees to achieve a relatively constant income for the Indians and for that purpose they are allowed to invade the forest principal. Thus the trustee is only admonished to try to operate on sustained-yield. He may also sell, mortgage, or dispose of property. The private trust would provide for less member control than the Indians have under the Government trust, although the tribal executive committee is retained on a bob-tailed basis. At 5-year intervals the members can vote to abolish the trust.

TRUST AGREEMENT—THREE PROBLEMS

Three problems appear in the trust agreement. It is proposed that the trustee have an unlimited right to invade the principal to maintain income. Based upon one-fourth of the Klamaths joining the trust, the management plan envisions that until 1965 income for remaining members will be about $770,000 a year and thereafter it will drop to $660,000 annually. This would mean that at that time the principal would start to be invaded and "sustained yield" junked. If, in fact, it is the desire of the remaining members to achieve the equivalent of stock dividends despite the swings in the economic cycle or required changes in the allowable cut, it would be well to amend the agreement to preserve the forest capital except as necessary to harvest epidemic forest capital losses. Were such a harvest to occur it would be for the members to determine whether they wished to recompute the allowable cut and accept a somewhat lower cut to achieve a restoration of growing stock or decide to merely recompute the cut but not reduce it enough to restore the forest capital to optimum growth levels.

Secondly, the trust expires when the last original member dies. Thus the trust may constitute only a delayed liquidation plan operated principally for the benefit of the original members. Under such a program consideration must be given to whether pro rata distribution of income is the goal, or whether, as each member dies, he can pass his share on. If it is the former course, the purpose of the trust will be to virtually complete the liquidation of the principal at the end of the trust period leaving for division among their heirs only the residual land values. If it is the latter, at the time when the last remaining member dies the estate of all the heirs will be subject to dissolution as a trust and either liquidated or placed under some other type of management.

Third, is that no provision is made for the remaining members or their heirs to develop a plan to take over the operation of the property free from trust status. The tax-free feature of the trust would mitigate against the members desiring to enter into a less favorable financial arrangement and might impel a tax-free liquidation by the remaining members and their heirs at a later date as the close of the trust period approached.

It is significant to note that the agreement does not develop a sustained-yield covenant between the trustee and the remaining members. This is covered in a vague way without any effort to define precisely the goal of management.

While it would be difficult to draft such a covenant, some consideration might be given to outlining the basic management premises, the types of departures contemplated as well as the procedures to be used in computing the level of cutting so that some initial guides are available. It would also be well to attach the initial management plan to the agreement.

The major advantage of the proposed trust agreement is that it continues a tax-free income, approximately at existing levels, for the minors, incompetents, and others who elect to continue to receive either income and/or the proceeds of forest capital liquidation over a period of years.

ANALYSIS OF PROPOSALS FOR AMENDING PUBLIC LAW 587

The hearings disclosed

In the hearings held by the Indian Affairs Subcommittee on October 2 and 4, 1957, 34 witnesses appeared as spokesmen for distinct groups or as individuals. Three witnesses made general statements that did not address themselves to S. 2047 or an alternative. Three Indian witnesses did not have a fixed position. One leaned toward Federal purchase, if the price was right; another was for Indian operation on undisclosed conditions. The remaining 28 witnesses expressed definite opinions. Twenty-three were for complete Federal purchase and supported S. 2047 in full or with modification. The tribal executive committee endorsed S. 2047. Twelve witnesses did not specify which Federal agency should manage the land. Nine specified the Forest Service, which is provided in S. 2047, and two suggested the Bureau of Land Management. One witness, the Weyerhaeuser Timber Co., suggested what in essence is a combination, in unknown parts, of public and private acquisitions. One other witness, the National Lumber Manufacturers Association, proposed that Public Law 587 be carried out, but in a footnote states that there is some question as to whether the law should be amended to provide for a longer liquidation period and installment payments by purchasers. One witness specified State or private purchase if possible, and two others specified private, but did not detail plans. In answer to questions, many witnesses agreed that a minimum requirement was extension of the period for liquidation of the timber for the benefit of withdrawing members.

Out of the hearings there evolved three alternatives to Public Law 587 for the disposal of the Klamath timber for those members who wish to withdraw:

1. Extension of the liquidation to a period up to 20 years.
2. Preferential sale to private buyers with—
   (*a*) A sustained yield covenant in the deed;
   (*b*) The Federal Government paying the Indians the difference between the sustained yield price and the liquidation value. This proposal was advanced by a prospective purchaser, the Weyerhaeuser Timber Co.
3. S. 2047 which would authorize Federal purchase of the entire reservation.

The problem posed by liquidating three-fourths of the reservation

As presently enacted Public Law 587 requires that commencing in about July 1958 and by August 13, 1960, sufficient of the tribal land, timber and other assets must be disposed of to satisfy withdrawing members.

In a period of less than 2 years over 3 billion board feet of timber and one-half of a million acres of land may be dumped on a limited local market.

Possible results from liquidation

The committee has been told that liquidation under Public Law 587 will—

1. Depress the value of the Indians' timber and adversely affect the income of the tribal members who elect to withdraw.
2. For those Indians who elect to join in an organization to manage their timber, the opportunity to successfully develop income will be diminished and possibly destroyed during the liquidation period.
3. Adversely affect the western pine timber industry by causing timber liquidating purchasers to flock into the area and quickly cut their timber. In 1954 the entire ponderosa pine industry produced 3.6 billion board feet of lumber with Oregon accounting for 1.3 billion board feet.

4. Adversely affect Klamath County by creating a boom-and-bust economy.

5. Adversely affect Klamath County and surrounding areas by diminishing the cut of adjacent public timber during the liquidation period, and thus reducing in lieu payments to local government.

On the other hand, there are other possibilities which are not to be excluded. The dumping of this timber may merely result in its sale to a single or very few of the private concerns in the area. This would cause a realinement of public timber purchasing patterns with relatively little effect on the industry or local shared revenues from other Federal lands. However, the prices received by the Indians would be at investment or a forced-sale level and thus well below that which would be received in an extended and orderly liquidation of the timber.

The Weyerhaeuser Timber Co. testified that its mills at Klamath Falls have a capacity of 200 million board-feet a year and their own lands supply only 50 percent of their needs. They are capable of utilizing the entire reservation volume. The other mills in Klamath Falls have an even less satisfactory raw-material position, being primarily dependent on public timber. While it might be expected that the other firms would purchase some of the smaller economic units, their financial position probably would not permit extensive purchases. In addition, since they are now heavy purchasers of public timber which they can acquire on a more favorable pay-as-you-cut basis, they probably would not desire to acquire a substantial volume unless the price was discounted heavily. Thus they would not desire to bid heavily.

A conditioning factor could be the nature of Weyerhaeuser operations. For example, at their Coos Bay and Springfield, Oreg., plants this company operates entirely upon their own timber. They have, in the past, entered into a number of exchanges with Government agencies in order to block up their holdings. It can be expected that the other concerns in the Klamath Falls area may visualize that if Weyerhaeuser purchases enough of the Klamath Reservation this may largely take this firm out of the public stumpage market. In addition, this company owns a private railroad which taps a portion of the reservation and which may be a transportation advantage. These economic factors could possibly condition local firms to at least abstain from bidding upon the portions of the reservation they believe Weyerhaeuser has a strong interest in acquiring.

If the situation developed in this manner, the price offered for the timber and land would, in all probability, be based on the investment value and well below the expectations of the withdrawing Indians. It cannot be rationally argued that because a firm has an economic advantage over competitors that can be translated into dollars, that this will cause them to be willing to pay more for the timber than they have to. This fact merely means that if forced to compete they can pay more before common factors influence bidding. A bidder only pays more than the asking price because he has to do so—not because he is able to do so.

Were the liquidation of the portion needed to satisfy the withdrawing members conducted in such a manner that there were but a few purchasers, only one bidder per tract, and the price well below the Indians' expectations, the Indians, and perhaps others, would protest the sales.

The possibility also exists that a few outside purchasers might come in and, bent upon quick liquidation, offer relatively high prices for some of the units. There are 21 small virgin tracts averaging about 40 million board-feet each. Some of these could be liquidated quickly and might be sold at almost current values.

Continuing to the other end of the scale of possibilities, a large number of bidders might come in and a mad scramble for timber might develop. This would make it virtually impossible for firms genuinely interested in giving stable management to the lands to bid on other than a liquidation price. It is pertinent to note that only three of the economic sale units are bigger than the largest firms in Klamath Falls could liquidate in 1 year. In short, depending upon the number of bidders, and their ability to transfer their operations almost entirely to the liquidation of the reservation timber, the Klamaths might experience on the various units discounts to present worth, ranging from almost nothing to over 60 percent.

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Another complication might develop in a liquidation sale. Bidders might concentrate their attention on the more valnable virgin tracts but display less interest in the cutover pine and lodgepole units. Thus the Indians would see some of their tracts bringing preminm prices while others were not even bid upon. For example, the 15 small cutover pine units aggregating 50,000 acres average less than 5,000 board-feet per acre, and in several cases the stand is less than 3,000 board-feet per acre. It is possible that these units may not command great interest either from those interested in liquidation or in long-term management. Provision would have to be made for continued management of these units until their ultimate disposal. Even more important would be the problem posed if annual taxes and expenses ate up the value of this non- or low-revenue producing property. This would compound the Indians' unhappiness that these units failed to sell or were snbject to extremely heavy sale discounts.

Finally, liqnidation-type sales would create a conservation problem where heretofore none has existed. The Oregon conservation law does not even attempt to insure sustained yield.

TIMBER VALUE

Basic to any discussion of disposal of the 3 or 4 billion board-feet of timber on this reservation is consideration of timber values. Most of the timber offered on the open market in the West is sold by Federal agencies. They nse a pay-as-you-cut method where the bidder makes a small downpayment with his bid, and then he pays for the timber as he cnts it, with the downpayment serving as the final payment. This method provides for the purchase of stumpage with a minimum of working capital invested for stumpage.

Competitive-type sales in areas where production needs exceed supply has acted further to assure premium prices. The term "retail price" has been used to express the amount received. A galaxy of other factors have helped in establishing good prices and the result is that it is common to find uninformed people valuing large tracts to be sold for cash, such as this reservation may be, at what, in all respects, represents a book value. Customarily the timber sold on this reservation has been the higher quality mature trees and the entire reservation volume would not possess this book value unless it were cut under the perpetual sustained-yield program which harvests trees when they mature.

The disposal of large blocks of timber for cash introduces different valuation concepts which are influenced by the method of disposal selected and the time period over which the disposal will be made.

Public Law 587 contemplates rapid liquidation, and cash payment in full. Because it will be a dumping operation the price will reflect what the bidders themselves plan to do. Further, it will be affected by an intangible, whether potential bidders decline to offer to purchase, sensing a buyers' market.

Orderly liquidation versus sustained-yield value

A manager directed to liquidate at a fair price—in other words, in some control—and not forced to sell would logically select three courses of action. First, he wonld attempt to estimate the maximum rate at which he could feed the timber into the best market without depressing the price, weighing this against the maximum period he wished to or was permitted to use for liquidatiou. Second, he would tailor his payment requests to attract the widest response from bnyers. Third, he would move his lower quality timber first, or in all events tie such units to premium quality ones in order to insure complete liquidation. In no event would he hold low quality timber or allow it to become a tag end.

The soundness of the decisions made here would influence the orderly liquidation value. It is virtually impossible for an appraiser to estimate with any degree of certainty the myriad of plans which potential bidders might have. One could contemplate immediate liquidation, while another planned a 10-year program; a third was hopeful of a 30-year liquidation, while a fourth was intent on a sustained-yield operation under which he would preserve the growing slash and harvest only the annual growth.

In a cash sale the buyer usually will desire to discount the book value to take into account the deferral of income from his investment, and, in addition, he will discount for risk. It is a sound premise that the longer the liquidation period contemplated, the greater discount for cash, and the less will be the additional discount for risk. If a purchaser contemplating a 30-year liquidation has to complete it in 10 years he will have made such a large discount for the cash payment that he could successfully liquidate in the shorter period because of the interest cost savings. The price each buyer could afford to pay, considering only the discount for cash, would vary considerably. For example, if liquidation by all buyers could be handled in 2 years, the approximate time allowed under Public Law 587, and if no other sales impediment existed, the discount at 5 percent would net the timber owner 93 percent of the income derived from the timber.

If the timber were cut in equal amounts over a 10-year period the discount would provide the timber owner 77 percent of the income expected to be realized; if cut over 25 years in equal amounts the timber would bring 56 percent of the book value; if the timber were to be cut over a 120-year period, and although the growth rate would be high enough to perpetuate the cut, a discount to 16 percent would be indicated. Here, however, the appraiser could not value the property on a liquidation period, but his computation would have to take into account annual earning capacity. If a 5 percent return were desired, the valuation would be obtained by offering to pay 15 to 20 times annual earnings. Another approach for such a long-term liquidation would be to take into account the ingrowth of volume and quality on the immature stands, as well as the liquidation of the capital.

The example shows the liquidation value of the Klamath Reservation if the timber has a book value of $100 million and were cut in equal annual amounts:

Time	Book value	Liquidation value—discount factor at 5 percent	Present worth
2 years	$100,000,000	0.93	$93,000,000
10 years	100,000,000	.77	77,000,000
15 years	100,000,000	.69	69,000,000
25 years	100,000,000	.56	56,000,000
50 years	100,000,000	.36	36,000,000
120 years	100,000,000	.16	16,000,000

Another method of computing value is based upon earnings.[1]

[1] Selected acquisitions, forest products industry:

Relationship between prices paid for companies and earning of these companies

Acquisitions		Consideration	Appraisal date	Market value acquiring company's shares
By	Of			
Weyerhaeuser Timber Co.	Kieckhefer Container Co. and Eddy Paper Co.	5,398,004 shares of Weyerhaeuser and cash for 2,576 shares Kieckhefer at $5,328 per share and 19,757 Eddy shares at $360 per share.	1957	38½
International Paper Co.	Long Bell Lumber Co.	849,997 common shares of International and 49,997 units of Contingent Interest in common (prospectus dated May 8, 1957).	1956	
Georgia Pacific Corp.	Hammond Lumber Co.	$75,000,000 cash (Moody's).	1956	
Do.	Coos Bay Lumber Co.	$70,000,000 cash (Moody's).	1956	
United States Plywood Corp.	Associated Plywood Mills, Inc.	276,000 common shares of United States Plywood and 62,804 preferred shares of United States Plywood (United States Plywood's prospectus, June 5, 1956).	1955	[a] 31½
Simpson Redwood Co.	M & M Wood-working Co.	Purchase price $35 per share (Wall Street Journal, June 1, 1956).	1956	

Acquisitions		Total market value	Earnings of acquired company		Times earnings
By	Of		Year	Amount	
Weyerhaeuser Timber Co.	Kieckhefer Container Co. and Eddy Paper Co.	$207,823,154 13,724,928 7,112,520	1956	[b] $10,955,000 [c] 3,866,000	15.4
		228,660,602		14,821,000	
International Paper Co.	Long Bell Lumber Co.	[d] 117,000,000	1955	[e] 9,730,463	12.0
Georgia Pacific Corp.	Hammond Lumber Co.	75,000,000	1955	[f] 3,546,591	21.1
Do.	Coos Bay Lumber Co.	70,000,000	1955	[g] 3,856,252	18.2
United States Plywood Corp.	Associated Plywood Mills, Inc.	8,694,000 6,280,400	1954	[h] 737,913	20.3
		14,974,400			
Simpson Redwood Co.	M & M Wood-working Co.		1956	[i] 2.55	13.7

[a] Common; 100 preferred (United States Plywood prospectus).
[b] Kieckhofer.
[c] Eddy.
[d] Approximately.
[e] Prospectus, May 8, 1957.
[f] Annual report to stockholders.
[g] Moody's.
[h] United States Plywood's prospectus.
[i] Per share (M & M's annual report to stockholders).

Sustained-yield value, 120-year rotation

Net annual earnings	Investment factor [1]	Investment value
$2,500,000	20	$50,000,000
	15	37,500,000
$2,000,000	20	40,000,000
	15	30,000,000
$1,500,000	20	30,000,000
	15	22,500,000

[1] 20=5 percent; 15=6.6 percent.

The above tables show that as the liquidation period is lengthened, and depending upon the sustained-yield earning capacity of the timber, an orderly liquidation period of 25 years to 50 years is needed to make it even remotely possible for a sustained-yield purchaser to successfully compete with liquidation buyers.

A liquidation operation should obviously be able to return a higher price to the Indians than a sustained-yield sale. Money is an unusual commodity that is hired, not bought. When you hire it you pay interest. When you want money today for a commodity such as timber that will not be converted to money until the future, buyers will discount what they pay. One who needs money now is thus forced to accept a smaller sum. However, if a man is willing to wait and accept his money when the timber is cut, he is not forced to accept the discount. It is also common practice to made additional discounts for risk, and, again in waiting for money the stumpage owner assumes the risk. He also enjoys any gains that may develop. Basically, the discount for cash, exclusive of risk of ownership, results in the person receiving the same amount of money as though he waited and received a series of payments as the liquidation proceeded. It also should be remembered that if a product is immediately salable in the quantity offered, there is no discount applicable, and thus a buyer who wishes to defer operations is in a disadvantageous position against bidders who will operate the timber at once.

This gives rise to the problems of the sustained-yield buyer. His ability to pay is conditioned by the earning ability of the property rather than its liquidation value. To be sure, he may be able to move over to an orderly liquidation program at any time and may thus enjoy a speculative gain if he succeeds in making his purchase at the sustained-yield rate. Basically his situation is that he cannot compete against the liquidation purchaser on even terms if the situation as to plant, location, and financial resources are equal.

This distinction is most important because the only positive alternative suggested to Federal purchase asks the Congress to first create a set of conditions which rules out the liquidation purchaser, and secondly, would guarantee the higher liquidation income to the Indians by a Government grant. Finally, the vocal Indian spokesmen for immediate liquidation and immediate full cash payment have propagated the idea that a very real discount both for cash and risk will not be experienced if Public Law 587 is let run its course and the timber is dumped in 2 years.

The problem of the sustained-yield buyer is illustrated by the National Lumber Manufacturers Association which sets forth the following profit-and-loss statement for the reservation:

Annual receipts	$2,300,000
Annual costs:	
Administration costs	260,000
Payment in lieu of taxes	[1] 575,000
Interest	[2] 2,000,000
Total	2,835,000
Annual deficit	−535,000

[1] Payment in lieu of taxes 25 percent of receipts.
[2] Interest at 4 percent on $50,000,000.

While the statement is used to show that Federal ownership would be unprofitable, it would be equally true if a private purchaser borrowed to invest for

sustained yield at this price and under the income picture cited. Were this operation to be conducted under private ownership, the cost to borrow money might well be 1 percent higher [1] and according to Klamath County data the local tax cost to a private owner would be approximately $330,000 annually. Thus the private owner would face higher interest costs and a lesser local tax cost, but his balance sheet would show an annual deficit of $790,000. This would indicate that sustained-yield possibilities at a $50 million borrowing would be even less likely to occur under private ownership. In fact, the only private owner who could undertake sustained yield would be the present Indian owners who own the property and have no debt standing against it.

The figures cited in the analyses above are those of the NLMA. The Management Specialists predict a cut of 90 million board-feet until 1965 at a price averaging more than $43 per thousand board-feet for an anticipated net income of $3,870,000. This is based upon harvest of certain of the virgin timber. Thus presumably the Government could earn about $4 million for debt retirement by 1965. Without reference to the effect of an annually declining debt balance on interest costs by 1965, the debt would be reduced to approximately $46 million, and interest costs about $1,840,000. After 1965 sales are predicted to bring in income at $33 per thousand board-feet for a volume of 75 million board-feet.

The situation would then be:

Income		[1] $2,525,000
Costs:		
Sales costs	$260,000	
Payments in lieu of taxes	620,000	
Interest	1,840,000	
Total		2,720,000
Annual deficit		195,000

[1] Includes $50,000 in grazing fees shown in NLMA statement.

A private owner faced with a 5-percent interest charge would be able to reduce his indebtedness to $45 million by 1965 but thereafter his balance sheet would show:

Income		$2,525,000
Costs:		
Sales	$260,000	
Local taxes	330,000	
Interest	2,200,000	
Total costs		2,790,000
Annual deficit		265,000

If anything these balance sheets developed from the expected sales information that the Management Specialists have formulated are a more knowledgable basis for computation. If it is valid to assume a higher interest rate for private purchasers their annual deficit would be greater, thus they could not begin to justify a sustained-yield operation if they borrowed $50 million for the property. In addition, private owners would presently appear to make a lesser contribution to the local tax structure than would these lands if in public ownership, but even this compensating factor would not overcome the greater deficit caused by a higher interest rate.

If private purchasers could secure the reservation for $50 million under a 10-year liquidation program, the investment would be profitable. The 4 billion board feet would be cut at a rate of 400 million board feet annually, and might bring an average price of $30 per thousand board feet. Annual income of $12 million from the liquidation of stumpage would have assessed against it carrying carges on investment of $2,500,000 the first year, and thereafter the interest cost would be reduced by about 10 percent. Taxes would probably drop from $330,000 annually to about $50,000 at the end of the liquidation period, while sales costs at

[1] Recent direct borrowings by Treasury have been at 4 percent. A recent A. T. & T. issue was at 4.94 percent. Informed observers indicate that prime private borrowers generally have to pay 1 percent more than the current cost of money to the Government.

$1 per thousand board feet would average $400,000 a year. Utilizing an unrefined calculation, the prospect is that after interest, sales cost, and taxes, the earnings could average at least $10 million annually for a total of $100 million and a surplus of $50 million on the transaction.

In sum, the National Lumber Manufacturers Association statement helps reveal that the private purchase for a true sustained-yield operation would not be profitable if the purchase price were $50 million; that there would be a smaller deficit to the Federal Government than to a private purchaser committed to sustained yield; and, finally, that a purchaser liquidating over a 10-year period might reasonably be able to pay as much as $80 million for the property as compared to an estimate of $50 million. While Mr. Weyerhaeuser's proposal does not detail this financial advantage, its courageously recognizes this differential in calling to the attention of the committee that if Congress wants sustained yield but prefers private sale to public acquisition, a grant to the Indians will be needed and the deeds must contain a sustained-yield covenant.

The value of the timber is highest for orderly liquidation. Unless the Klamath people can secure as much as the orderly liquidation value of the timber from a private or public purchaser required to operate upon sustained yield, their best "short run" financial interest may be found in orderly liquidation. If rate of return is the consideration rather than bororwing costs it is evident that at $50 million the rate of return for a private purchaser would be lower than the cost of borrowing money.

SUGGESTED SOLUTIONS

1. Extension of the disposal period to permit orderly liquidation

An extension of the disposal period to permit orderly liquidation would be a minimum-type correction. It would assure that the withdrawing Indians ultimately received the best price for their timber although it would delay the realization of the income. The Indians would not be forced to accept a discount for cash now. At least one faction in the tribe would protest this course. Among the advantages of orderly liquidation would be that those Indians who wish to stay in a sustained yield program would not have its success unduly jeopardized by events caused by hasty liquidation. The industry would not suffer a tremendous dislocation neither would local government have other shared revenues heavily affected, nor would the withdrawing Indians be able to dissipate lump-sum payments.

Possible disadvantages are that it would drag out the termination period, prevent the Indians from realizing a lesser lump-sum cash payment so as to make alternative investments now add a cost of interim management and protection during the longer disposal period and the conservation program for those lands would in all probability be destroyed. Orderly liquidation would not provide for continuation of these lands as a producing forest and none of the conservation goals would be assured.

In an operation based on orderly liquidation the most financially advantageous time period can be set by requiring the managers to push offerings onto the market in a series of small sales keeping a close watch on other timber sales experience. When prices dipped beyond averages for check areas or other factors showed a market saturation, they would be authorized to reduce or discontinue sales. Under such a program there would be no need to demand full cash payment in all cases and pay-as-you-cut provisions could be utilized to enhance salability and income. Thus the Indians could escape with the discount for cash and risk. The plan for sales would be most successful if the lower quality timber were offered first and total sale quantities offered were limited to take advantage of the generally short supply of logs in the areas thus forcing the buyers to accept this material. Consideration might be given to retaining some timber over and above that required by the Oregon law and to the protection of young stands but only for the purpose of assuring a better sale price for the cutover land at a later date. As an alternative the land could be sold with the timber if more money could be realized this way. In sum, a hard-headed aggressive sales program designed to extract the last nickel from the property would be called for if the only goal is to satisfy the demands for conversion of the forest to money. Government timber sale or land-disposal programs have not been conducted upon these bases and the carrying out of such a program would leave a black mark on the conservation record of the United States Government that would be so well fixed in the minds of conservationists that it might never be erased.

However, if Public Law 587 is not ameuded to provide at least for this, the program prescribed under the existing law will probably result in an equally fatal eourse which will be also marked by a record of failure to aehieve for the Klamaths the full amount they might have obtained.

The National Lumber Manufaeturers Association offers the opiuion that the unrestricted sale of these lands to private owners would "result in the extension of the tree farm movement * * * if not immediately in all cases, then in due time."

There should be uo mistake about the fact that a tree farm is not syuonymous with a sustained-yield operation. There are 488 million acres of commercial forest land in the Uuited States, only one-fourth of which is in publie ownership. Virtually all of the federally managed land is iu a true sustained yield managemeut program although in some areas cutting is proceeding at less than is permitted. The better managed private lands are primarily the 13 percent of the total forest holdings in the hands of the wood-using industries. A good index of a determined effort toward better management is participatiou in the tree farm movement but this industry sponsored activity, embracing all classes of private lands, covers only one-niuth of the total private land holdings. It constitutes an acreage equal to only three-fourths of the 62 million acres in industry management. A tree farmer merely agrees to protect his land aud to harvest the timber so as to keep the land productive timber growing land. He can completely liquidate the timber so that there is a hiatus of cutting of 50 to 100 years and still qnalify as a tree farmer. Thus he agrees to no more thau, for example, the Oregon law requires.

While no formal statistics have ever attempted to assess the extent to which private holdings are truly on sustained yield it is probable that amount is less than 10 perceut. The extension of Public Law 587 will not even remotely insure that this reservatiou property as sold will be "in due time" managed under a sustained-yield operation even if it beeomes a certified tree farm. An extension of the sale period would, however, insure that the sale of the timber would bring the Indians the best possible return.

2. Sale to private purchasers under a plan requiring sustained-yield operation

This is the Weyerhaeuser proposal, and the only concrete alternative to eomplete public purchase presented to the subcommittee. Uuder this plau the Secretary of the Iuterior would set a price for the timber and land based upon his estimate of the value if liquidated in an orderly manner. Presumably, and this is of singular importance, the price set would be identical with the value that would be used for a public purchase bill. It could not be well argued that the total price set under this proposal would be higher or lower thau the Government would set it if it were to purchase the property.

The Secretary would offer the tracts for sale with the bidders agreeing to accept a deed containing a sustained-yield covenant. The bidders would offer a price based upon this requirement and the difference between the sustained-yield price and the orderly liquidation value would be paid by the Government to the withdrawing Indians. Any tracts not bought by private purchases would be acquired by the Government at their appraised value.

Two advantages can be attributed to this proposal. It recognizes caudidly and courageously that private purchasers dedicated to sustained yield will be at a disadvantage in eompeting against short-term liquidation buyers. It lays bare the contention implieit, for example, in the National Lumber Manufacturers brief that somehow sustained yield on these lands will emerge from Public Law 587. It demonstrates that the real choice is whether positive steps will be taken to implement sustained yield or whether this property will be sold without regard to eonservation principles.

The other advantage is more closely related to the merits of the proposal itself. If adopted the gross outlay by the Federal Government would be reduced to the difference between sustained-yield value and the orderly liquidation value. However, this advantage may be outweighed by the drawbacks to the plan. First and foremost, the Government would be asked to advance a substantial sum in order that private purchasers could secure and operate the tract on a true sustained-yield basis. The sum advanced would constitute a payment and perpetual interest cost whieh the Government could never hope to recover for it would not own the property and have a chauce to enjoy any advance in timber

value that might compensate it for insuring "sustained yield." The fact that the proposal envisions the Government paying this sum to the original timber owner—the Indians—enlarges the problem for it would create a new grant-in-aid device for securing better forest practices on private land.

Second, the size of the Government's contribution would be controlled by the amount private bidders chose to offer for each unit bid upon. Thus the Government would not be able to assess in advance the actual cost it might bear.

Third, the Government would be obligated to buy any units not sold to private bidders. This would mean that the "cats and dogs"—those units with poor quality stands, undesirable species composition, low timber volume or disadvantageous growing site or location—might still have to be purchased by the Government. These units would be scattered and their management and operation would be more costly to the Government. So in addition to the payment of an undefined amount to enable private owners to practice sustained yield in the better lands, the Government would be saddled with the purchase price and more costly operation of the poorer lands.

The inclusion of the sustained-yield covenant envisioned by the proposal would pose at least two major problems. The way in which a satisfactory sale could be made and the preparation of a sustained-yield covenant.

From the standpoint of various private purchasers the several combinations of needs might affect interest in purchasing. A sustained-yield operation, to become immediately effective, must start either with predominately virgin stands or a property with sufficient stocking in the various age classes. The purchase of a large acreage of cutovers still growing toward maturity would delay operations. The earning power of the investment would be deferred and the price subject to a further discount. A firm contemplating entering the area and establishing a plant would probably want to buy a balanced unit so that operation could start at once.

The nearby firms would have to consider how units they might potentially use would fit in with existing holdings. For example, a firm presently holding a large area of cutovers would be more interested in securing uncut units than those on which sustained yield cutting would have to be deferred 10 to 30 years. This is the situation with most of the local firms. A competitive sale would probably thwart the goal of placing the maximum amount of the reservation in private hands under true sustained yield. The best way to secure maximum private sustained yield ownerships would be to utilize a negotiated sale under which potential purchasers submitted a list of the properties they needed and there was an adjudication of overlapping applications.

However, this is private property belonging to the Indians, not Government property subject to disposition on terms and conditions which suit some broad public purpose. Under the proposal, the Government would be drawn in because it would be a party to the pricing arrangement. It would be concerned with the size and makeup of the sustained-yield units and the effect upon the sustained-yield value. The lower the sustained-yield value the greater the payment to the Indians the Government would be called upon to make.

Under a negotiated sale various purchasers might jockey for areas, dissident factions in the tribe might charge or be urged to charge favoritism or others might charge that certain firms were favored. Since the negotiation would have to be conducted with the Government and the Indians the risk of these possibilities mitigates against its utilization.

Secondly, there is a distinct difference between a sustained-yield covenant and the minimum cutting requirements found in a few state statutes which are improperly referred to as sustained-yield laws. For example, the Oregon law merely provides that a minimum number of trees must be left on the assumption that they will reseed the area. The Pierce, Hook, and Anderson bills introduced in Congress were designed to provide only this type of minimum revegetation protection by a Federal law which would become operative only when a State failed to enact a satisfactory model law. The nearest thing to a sustained-yield covenant is in the one cooperative agreement between the Forest Service and the Simpson Logging Co. entered into under title 16 United States Code, section 583. In this agreement the private owner pooled his cutover and uncut lands with national forest lands and agreed in essence to—

(*a*) Let the Forest Service decide any points in controversy;

(*b*) To utilize the same practices that the Forest Service was currently using;

(c) That the overall cut from both lands was to be guided by sustained-yield principles but it was not required that each property be operated at a separate sustained-yield rate. In fact, to date cutting has been concentrated upon the Forest Service lands because the Simpson lands are predominately cut over.

This agreement specifies that the company will get the pooled national-forest timber at the Forest Service appraised rate, which on occasion has been below competitive rates, thus there is a strong economic incentive to the company to carry out the silvicultural aspects of the agreement to the satisfaction of the Forest Service. However, the Klamath property would be bought and paid for and no pooling of public and private timber is envisioned thus this type of economic interest in conservation practices would not be present. The probable ultimate penalty—Government revestment—would be so severe that a very serious violation would have to occur to cause this. On the other hand, a large conservation practice bond could be required and wide discretion be given the Government to insure immediate correction of any serious deficiency. In addition, the Government would probably have to have the authority to stop cutting in violation of sustained yield plans.

In order for a sustained yield covenant to be meaningful it would have to control the volume of timber that could be harvested during stated periods. It would also be necessary to insure that the optimum amount of growing stock be maintained in order to always produce the desired annual allowable cut. The combination of these two factors into a legally proper and operationally sound agreement would be most difficult. For example in the concepts of rotation periods, optimum stocking levels and cutting practices have changed over the past 50 years. Sound management requires that the manager not be tied up in a legal straitjacket, but rather that he be free to shift to improved practices. Cuts ranging from 10 percent of 1 stock to 80 percent of another may be used simultaneously with beneficial results. Provision for, and even sacrifices in, stocking levels must sometimes be made in order to handle epidemic insect and fire losses.

Another cost to the taxpayers that is involved in this proposal which cannot be overlooked would be the inspection and enforcement of the sustained yield covenant on these private lands.

The inclusion of a sustained yield covenant in deeds would have the practical and necessary effect of limiting bidders to either those concerns with a desire to practice sustained yield or those who now have such a program upon their lands. Further, because the total annual allowable cut for the property contemplated to be offered is about 60 million board-feet a year and may be no more than 90 million feet it could at first accommodate only a few sustained yield purchasers. Realistically it is likely that all bidders who contemplated purchase would have in mind an operation of a mill for 20 million feet or more a year. For example, the Weyerhaeuser Timber Co., which has announced interest in purchase, testified that it could process 200 million feet per year at its Klamath Falls plant and its present holdings can supply only half of this need. This firm alone could utilize the entire output of the reservation.

If the investment value for private sustained yield operation were as much as $50 million, and the liquidation value were as great as $114 million, the Government would be required to spend approximately $64 million to insure it.

With all due credit to the concept embodied in the proposal made by the Weyerhaeuser Timber Co., it does hold the prospect that it would require that the Congress construct a moat to keep out liquidation bidders and erect a large financial shelter to permit a sale for a private sustained yield operation. Under this circumstance, and with the real possibility that the less financially desirable parts of the reservation would also have to be purchased by the Government, it seems to be a costly way to assure private operation at the conservation level the Government itself could directly provide.

Government purchase could provide payments to local governments equal to what will be paid if these lands are placed on the tax rolls. The specter that Government acquisition of this forest is an unwarranted extension of Government timberland ownership and possibly equates with an extension of a principle that promotes total Government forest ownership is not formidable. Only one-fourth of the timberland in the Nation is in public ownership. There is over 2 trillion board-feet of timber in the Nation and almost half of it is and

always has been in Government ownership. The purchase by the Federal Government of the Klamath Reservation would increase the Government's holdings by four-tenths of 1 percent. On the other hand, to embark on the course suggested by this proposal could set a precedent for a Government subsidy to the many private owners of timberland who will not or do not practice sustained yield, while at the same time creating a system of Government regulation and inspection for these lands. For milder forest practices inspection proposals have been labeled "socialistic." Fifty years of Government timber management on the national forests has not produced even a mild socialization of forest industry, but the regulation of private cutting and land management might be labeled as a step toward accomplishing this undesirable state.

3. Passage of S. 2047 to enable Federal purchase by adding the entire reservation to the national forest

Of the 28 witnesses who expressed a preference, 23 favored the Federal purchase principle embodied in S. 2047. Included in this group is the executive committee of the tribe and the bill has the overwhelming support of all who testified. Even the Weyerhaeuser proposal recognized that it might be necessary for the Federal Government to purchase some of the timberland and the 23,000-acre deep marsh.

The enactment of S. 2047 would require some revision of the bill as introduced in order to accommodate divergent views. For example, the Klamath Tribe has suggested modifications in their testimony. However, this analysis is not directed toward bill analysis but to considering the general effect of various alternatives.

The cost to the Federal taxpayer.—One of the problems which would apply to either the Weyerhaeuser proposal or S. 2047 is that the Klamaths might feel impelled to place an inflated value on the reservation. Since both proposals contemplate a substantial payment to the Indians by the Government, agreement on the total price is of paramount importance. The method of payment, however, will be influenced by the desires of the Indians and the degrees to which they are capable of managing their affairs.

One proposal that was advanced was that the cost of Federal purchase be obtained by earmarking national forest receipts. There may be no real advantage to this scheme because a receipt which goes to the general fund reduces the general borrowing needs of the Government. To the extent that there are recurring budget deficits which necessitate borrowing, earmarked receipts do not decrease borrowing. This idea only makes an expenditure of funds seem to be nonexistent.

While there may not be any saving there may be real advantages, for example, to making payments in 15 annual installments of $7,600,000, totaling $114 million, as compared to a lump sum payment of $78,885,000. The average interest rate on Government interest bearing securities has risen from $2.2 percent in 1950 to 2.857 in August 1957. Borrowing costs have been 4 percent for recent issues. It is entirely possible that future borrowing costs may be slightly lower than 4 percent rather than appreciably higher. Also the borrowing on an annual payment basis could be considered as short-term borrowing. This cost is usually lower than for long-term borrowing. The size of any one budget is a matter for consideration and a lump-sum payment could pose a difficulty from this aspect.

One presentation made to the committee assumed that Government purchase of the reservation would require borrowing all of the money required and that the interest cost would render the transaction unprofitable. The real question is the rate of return a public or private purchaser seeks on the investment, not whether money was borrowed for part or all of it. However, to the extent that money is borrowed there will be an interest cost.

One of the basic differences between a Government operation and a private one is that the latter must be dedicated first to making a profit for its owners. The Securities and Exchange Commission report on all corporations shows profits after taxes on stockholders' equity averaging about 12½ percent, while profit on sales after taxes averages about 5½ percent. Stockholders' equity is shown at about 4.4 times corporate debt. For the lumber and wood products industry, profit on stockholders' equity after taxes was 10 percent, profit on sales after taxes, 4.8 percent, and stockholders' equity was 6.3 times debt.

If the Government is going to consider the purchase of the Klamath Reserva-

tion as a part of a business enterprise it is entitled to make business-type assumptions. Annual rate of profit, as has been shown, on stockholders' equity is very low. This is inherent, in large measure, from the low growth rate of the timber, the dedication to sustained-yield harvesting and multiple-use management. To a lesser degree it is caused by procedures which have not always assured product sales at full competitive value. A current assets to current liabilities ratio cannot readily be computed but a total stockholders' equity to debt ratio can be estimated. For all manufacturing corporations the average ratio is about 4.5, ranging from as low as 1.7 in the tobacco manufactures, 4.5 in paper, 6.5 in lumber, and up to 10.8 in motor vehicles. The total indebtedness, a rough measure of the sum of the accrued operating deficits, for the national forests since 1905, plus interest, might be as much as five-tenths of a billion dollars while stockholders' equity is $7 billion. The ratio of 14 indicates a very low indebtedness.

In the past few years net annual operating losses have been replaced by small net profits value and this indicates that it is safe to even permit some advance in debt. This is especially true when we recognize that the capital value of the assets will continue to appreciate. Inasmuch as the stockholders receive substantial benefits that cannot be evaluated in dollars the low rate of measurable return is consistent with public purposes.

If the profit motive is to be paramount in Government operations many necessary Government functions would be abolished or changed. For example, the national forest system is valued at about $7.5 billion; current revenue is about $125 million and profit on net income is but a fraction of 1 percent. It would be possible to increase sales income by achieving the ultimate sustained-yield allowable cut. To achieve an earning rate of 4 percent on the value of the national forests would require an astronomical increase in stumpage values. A stated return on the value of the investment is not now one of the criteria in Government timber pricing. All indications are that the great bulk of the lands in Government ownership are there because they would not be profitable in private sustained-yield operation.

This reservation is not susceptible to profitable sustained-yield operation in the usual business sense. However the Government can be assured that at least the investment value can be obtained. It may not be proper to assume that the property would have interest charges standing against the entire cost. Every year the Government invest money in projects which return some revenue to it. To the extent that there is borrowing required to finance the difference between overall expenditures and receipts, it is reasonable to assess interest costs against that proportion of each project. The cost of the reservation would be between one-tenth and two-tenths of 1 percent of the budget. If overall budget expenditures were 2 percent greater than overall receipts, 2 percent of the purchase price would have interest costs to repay. With interest charges fixed on this basis, the Government would be assured the return of the capital invested and would realize a low rate of return. The 2-percent growth rate of the timber predetermines that the rate of return will always be below this. Therefore in Government purchase the basic consideration is to establish the amount of money that can be paid on the expectation that, after consideration of costs, it will be returned over the sustained-yield cutting cycle.

The second consideration is how to handle the significant difference that will exist between the investment value and the orderly liquidation value.

This difference must be met and the choice lies between total Federal assumption of the loss or an attempt to assess local benefits and possibly secure a contribution in their recognition.

In a variety of federally sponsored operations grants-in-aid are made on the condition that there be a local contribution reasonably equivalent to the local benefit. In some cases local governments make out-of-pocket contributions while in others local governments agree to assume costs that may develop. For example, the Federal Government recognizes a paramount responsibility in highway construction but local government finances the maintenance roads. Another situation is forest-fire protection and tree planting on private lands under the Clarke-McNary Act, where the law allows up to a 50 percent Federal contribution. In some cases national forest receipts are utilized for watershed protection land purchases, as in Utah, and the local government in effect foregoes the receipt of in-lieu payments. This local government becomes a 25-percent partner in the land purchase through a limitation on receipt payments.

If the tribal lands went on the assessment rolls Klamaths' county's tax income would be approximately $328,000 a year.[1] Of this amount $34,000 represents the tax on 124,000 acres of pulpwood stands and the bare-land tax for the 540,000 acres of commercial timberlands. The balance is the timber tax. As the virgin timber is cut the tax cost would decrease even if it were replaced by growth in previously cut stands and the assessed values would drop appreciably. If all of the timber were liquidated by 1970 the local tax revenue might drop from a peak of $328,000 to below $50,000. Thus in assessing the prospect that private ownership will add these lands to the tax rolls, the local governments must decide the extent to which stable tax income will be received and whether a Federal in-lieu payment would now, or ultimately, be more advantageous.

The dumping of this timber could have an adverse affect upon in-lieu payments in as many as seven Oregon counties. In 1956 the in-lieu payments from the three national forests in the area alone were:

[In thousands of dollars]

County	Deschutes National Forest	Fremont National Forest	Rogue River National Forest	Total
Deschutes	$389			$380
Douglas			$30	30
Jackson			196	196
Jefferson	62			62
Josephine			8	8
Klamath	142	$213	178	533
Lake	68	423		491
Total	652	636	412	1,700

[1] Probable tax for timberland if Klamath Reservation went on tax rolls. Based upon 1957 Klamath County valuation and millage rate of $57.60 per $1,000 assessed value.

LAND

	Acreage	Assessed value per acre	Assessed valuation	Tax
Commercial timberland (includes cut-over restocking lands)	540,072	$0.60	$324,043	$18,666.00
Pulpwood stands (includes pulpwood on lands)	124,000	1.50	186,000	10,714.00
Total	664,072		510,043	29,380.00

TIMBER

	Timber volume (million board-feet)	Assessed value per thousand	Tax valuation	Tax
Virgin ponderosa and sugar pine	1,277	$2.00	$2,554,000	$147,110
Cutover pine	2,601	.90	2,341,000	134,842
White and Douglas-fir	592	.40	237,000	13,651
Lodgepole pine	129	.35	45,000	2,592
Total	4,599		5,177,000	298,195
Grand total			5,687,043	327,575

A substantial decrease in timber sales on the Deschutes and Fremont forests could have a tremendous impact upon the three counties. Thus, in addition, to adding lands to the tax roll in a way that promotes stable tax revenues the local government also may be concerned with the continued stabilization of other in-lieu revenues. Consideration must also be given to the added expense of a "boom and bust" on local schools and roads and the effect on the local tax structure of an expanding and contracting tax base.

Under Federal purchase and the existing national forest in-lieu formula, the local governments might expect to receive, based upon planned cutting programs, about $950,000 annually in in-lieu payments up to 1965 and about $625,000 yearly thereafter. On the other hand, based on the existing private tax structure the peak tax revenue would be about $328,000 and it might diminish as cutting proceeded to perhaps as low as $50,000 annually. The extent to which there is a difference between in-lieu payments and the prospect of private tax revenues might well form the basis for a local contribution to achieving the portion of the benefits that can be considered local. If it is assumed that the difference between the in-lieu payments and local tax revenue would average $700,000 annually until 1965 and $500,000 annually from 1965 until the year 2000, there would be a difference of $21,700,000 that could be applied as a local contribution. It would be possible to compute the limitation on the local contribution in several ways. For example, once the total local contribution was established, a fixed dollar amount could be specified for annual remittance to local government until the difference between this and the 25 percent amount totaled the local contribution. Another alternative would be to maximize the local contribution at the outset and reduce it every time the sum of local contributions reached stated amounts so that the county in-lieu recipts would gradually approach the 25-percent level.

Foregoing the collection of in-lieu payments could represent a most substantial local contribution for protection of local benefits. It could also insure reasonable annual payments in recognition of the desirability of defraying some of the new costs to local government resulting from the termination of Federal supervision. There is not to be overlooked that the termination of Federal supervision will add costs to local government that have heretofore been financed by the Federal Government.

In any review of local tax levels consideration must be given to the current program of State and local tax assessors who are in the process of reexamining the land and timber assessment structure of the State. No effort has been made at this point to determine, for example, whether private land is undertaxed. It should also be noted that for many, many years the Federal lands produced very little income and in-lieu payments were modest, often being nonexistent or far lower than private tax costs. Western local governments have long lived with this situation and the low level of in-lieu payments created many problems for them.

This should, therefore, contribute to viewing the situation as it exists here and as it relates to the type of solution that will best serve the combined Federal-local need in continuing conservation management upon these lands.

Under any solution adopted it would be desirable to segregate the business investment of the Federal Government from the public interest benefits secured by conservation management. It would then be necessary to define the extent to which local benefits called for a local contribution. There would also have to be taken into account the extent to which local government would be assuming responsibilities which heretofore have been wholly federally financed.

Federal purchase would not provide for continuation of a tribal operation.—One of the elements to be considered is the desirability of shifting the type of service supplied to the Indians. Public Law 587 if carried out as contemplated would create a private trust to manage a portion of the reservation for those Indians who wished to remain in it. Neither Public Law 587 nor S. 2047 contemplate the purchase of allotted lands, homesteads, or privately owned farm and grazing units either in Indian or non-Indian ownership. Thus, the private trust suggested by the Management Specialists or S. 2047 applies only to tribal lands. The president of the First National Bank of Portland, Oreg., told the committee that he had extreme doubts that it would be possible to secure a trustee to operate a forestry unit for those Indians desiring one. It would, however, be possible to secure private trustees or guardians to administer the money management for minors and incompetents. S. 2047 would help solve a problem that may be posed if a workable forestry organization cannot be achieved under Public Law 587.

If it is true that annual income of about $1,000 a year per capita is all that can be expected from those in a sustained yield operation and that this amount or more could be obtained from orderly liquidation, or the receipt of an orderly liquidation value, a trustee-operated forestry program would offer no advantage. Approximately half of the Klamaths live on the reservation and the continuation of the forest program as a national forest would insure that the esthetic nature of this rural area would be the same while at the same time the people would be able to shift their capital to better revenue-producing investments or annuities.

The emphasis of such private trust arrangements as would be necessary could then be to equip these people to manage their own financial affairs. For the others that need no such assistance, these also would be an improvement in financial position.

Federal purchase may be the only workable alternative.—Were there reason to assume that the value of the reservation will climb to a point when ultimately annual income would exceed what could be obtained by immediate liquidation and alternate investment of proceeds, liquidation of the forest would be financially unwise. This assumption cannot be made.

The growth of timber on this reservation will not exceed 3 percent in the foreseeable future. If money can be invested at 4, 5, or 6 percent elsewhere, it is not profitable to retain it in a 2 percent investment. Were this reservation located in an area where timber growth rates of 6 to 8 percent can be obtained, the situation would be different. At present the only foreseeable gain, and this applies equally to higher growth areas, is that there will continue to be an advance in stumpage values.

The very factors that diminish the value of this property for an Indian-operated sustained yield program decreases the likelihood that there will be a similar private investment. Under such a set of condtions the major justification for private sustained yield is that an alternate supply of raw material is maintained or that there is a speculative gain possible. Current liquidation values can hardly be paid under these criteria.

Therefore, if sustained yield and all of the other conservation goals are still going to be met while at the same time assuring the Klamath people of the proper payment for this property, the best alternative may be the purchase of the reservation by the Government.

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AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON INDIAN AFFAIRS

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

EIGHTY-FIFTH CONGRESS

SECOND SESSION

ON

S. 2047 and S. 3051

BILLS AMENDING THE KLAMATH TERMINATION ACT OF 1954 WITH RESPECT TO DISPOSITION OF TRIBAL PROPERTY AND FOR OTHER PURPOSES

FEBRUARY 3, 4, 5, 6, 7, AND 11, 1958

PART 2

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AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

MONDAY, FEBRUARY 3, 1958

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to notice, at 9:40 a. m., in room 224, Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee) presiding.

Present: Senators Neuberger and Watkins.

Present also: William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McSherry, assistant chief clerk.

Senator NEUBERGER. The subcommittee will please come to order.

I have a brief opening statement I will read before we hear the first witness.

I would like to open the meeting this morning by extending to all of those in attendance a most cordial welcome. The purpose of this hearing is to pursue further proposed amendments to Public Law 587, 83d Congress, the so-called Klamath Indian Termination Act.

I think it would be proper to commence by sketching briefly the developments which have occurred in recent years on this subject.

Public Law 587, enacted in 1954, has as its objective the ending of all Federal services to Klamath Indians because of their status as Indians.

On several occasions I have stated publicly that the act was premature and ill advised. I think my judgment has been proven correct by subsequent developments.

Since 1954 the Management Specialists charged with carrying out the program have been bringing to our attention the serious consequences of the law, not only with respect to the Klamath Indians, but to the entire Klamath Basin in the State of Oregon.

In 1956 the chairman of the Indian Affairs Subcommittee, Senator Joseph C. O'Mahoney, of Wyoming, and the chairman of the Senate Interior and Insular Affairs Committee, Senator James E. Murray, of Montana, conducted hearings on the Klamath questions.

I deeply appreciate the interests that these two distinguished Members of the Senate have taken in the operation of the Klamath terminal program.

The hearing held in 1956 showed conclusively that the Klamath Act, if carried out by its original terms, would have a very detrimental effect on the Indians, their valuable timber assets, and on the

economy of the whole area in southern Oregon where the reservation is located.

At the outset of the 85th Congress, I introduced, for myself and Senator Morse, S. 469, a bill which would, among other things, delay the sales of tribal property and give Congress an opportunity to study alternative ways of carrying out the termination program without adversely affecting the Indians or the community in which they live.

S. 469 was enacted, although in a form not totally satisfactory to me. As passed by the Senate, the bill provided for a postponement until the end of the 2d session of the 85th Congress of sales of tribal property to satisfy the demands of members electing to withdraw from the tribe.

It also provided for a 3-year extension of the law in order to provide for orderly marketing of tribal assets, and authorized sufficient appropriations to reimburse the Klamaths for the full costs of the termination program.

In this form the bill contained the recommendations submitted to us by the Department of the Interior. The House did not agree with our language and provided only a 2-year extension and reimbursement for one-half of the termination costs. Although we took the bill to conference, the House version prevailed.

This reprieve from certain destruction of a vital national asset, the Klamath Indian forest, has given us a brief opportunity to suggest a different approach to the present dilemma.

In May of 1957, I introduced again for myself and Senator Morse, S. 2047, a bill providing for Federal acquisition of the Klamath tribal forest lands and the several thousand acres of tribal marshland.

Under this proposal, the timberland would become national-forest land and the marsh a wildlife refuge.

During October 1957, this subcommittee held hearings in Klamath Falls and Portland, Oreg., on S. 2047. I think it is fair to say that S. 2047 received the united support of the Klamath Tribal Council, the Management Specialists, labor, education, and civic groups in Oregon, the governor of Oregon, the Special Oregon State Legislative Interim Committee on Indian Affairs, conservation and outdoor groups, the press—indeed, virtually all segments of Oregon life.

However, the Department of the Interior, the Department of Agriculture, and the Bureau of the Budget have submitted adverse reports on S. 2047, recommending that the legislation be not enacted. The communications to which I have just referred are dated January 13, 14, and 10, 1958, and, without objection, they will be included in the hearing record.

(The communications referred to follow:)

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 13, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: Your committee has requested a report on S. 2047, a bill to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians.

We recommend that the bill be not enacted, but we recommend the enactment of a substitute bill entitled "To amend the act terminating Federal supervision

over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes," which has been submitted to the President of the Senate by a separate communication.

As we indicated in our letter to Senator Neuberger, dated September 26, 1957, we believe that only through sustained-yield management of the Klamath Indian forest can its timber, water, wildlife, and recreational resources be maintained, and that further legislation for that purpose is desirable. An equally important premise, however, is that any provision for sustained-yield management should not infringe on the property rights of the Indians or discriminate against them.

Our views are set forth at some length in the letter to the President of the Senate and need not be repeated here. The following general comments, however, are offered with respect to S. 2047:

1. The bill provides for Federal acquisition of the entire Klamath Indian forest. We believe that the Indians who elect to remain in the tribe should not be compelled to sell their share of the forest if they do not wish to do so. A sustained-yield plan for managing the part of the forest that is kept by the tribe will be prepared in accordance with the Termination Act. Although that plan will be subject to change by the tribe, the Indians who elect to remain in the tribe will have expressed an intention to maintain intact their part of the forest, and there should be no appreciable risk of quick liquidation.

2. The bill provides for Federal acquisition of the forest without giving private industry any opportunity to acquire the land subject to an enforcible contractual agreement to follow sustained-yield management practices. We believe that such an opportunity should be provided. Admittedly, there are difficulties. Two important ones are the fact that private industry may not be willing to pay the full market value of the forest, and Federal enforcement of a sustained-yield obligation voluntarily assumed by contract will present administrative problems. The second difficulty can be overcome, and the only way to determine whether private purchasers will pay the full market value of the land when subjected to sustained-yield requirements is to offer the property for competitive purchase. If private industry is not willing to purchase under those circumstances, this Department recommends Federal purchase of these lands.

3. The bill provides for a new appraisal of the tribal lands. The appraisal required by the Termination Act has just been completed at considerable expense, and we believe that a new appraisal would not be justified. Congress should be able to determine now whether the present appraised value will be acceptable as the basis for Federal acquisition.

4. The bill provides for Federal purchase and resale of nonforested tribal lands. There is no need for the Federal Government to incur the expense of acquiring such property.

5. The bill recites that the tribal marsh comprises approximately 70,000 acres. The figure should be approximately 15,689 acres.

6. The bill does not make the per capita payment of the purchase price for the forest and marsh subject to the provisions of section 15 regarding the protection of individuals who need assistance in the management of their affairs.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 14, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: You have asked this Department for a report on S. 2047, a bill to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians.

We are sympathetic with the bill's objectives of obtaining a fair return to the Indians and assuring sustained yield of timber but we recommend that there be enacted as a substitute for S. 2047 a bill being transmitted to the President

of the Senate by the Secretary of the Interior. This Department has collaborated in preparation of that bill.

S. 2047 would amend the Klamath Supervision Termination Act of August 13, 1954 (68 Stat. 718). A three-man appraisal board would be established to determine fair market value of Klamath tribal lands in Oregon and the Board would report its results to the Committee on Interior and Insular Affairs during the 85th Congress. The Secretary of the Interior would be required to purchase for the United States the tribal lands at the fair market value fixed by the Appraisal Board and pay each Indian his pro rata share of the purchase price.

Also, S. 2047 would require that acquired tribal lands which consist of timberlands under sustained-yield management be transferred to the Forest Service, Department of Agriculture, for administration as national-forest lands. About 70,000 acres of the acquired tribal lands comprising Klamath marsh would be administered by the Fish and Wildife Sevice, Department of the Interior. The remaining acquired tribal lands would be sold competitively, giving tribal members priority right to purchase any such lands for not less than the highest competitive bid.

The Klamath tribal forest lands are of such character that it would be appropriate for them to be added to and administered as a part of the national-forest system. As national-forest lands they would be managed under established multiple-use policies for lasting public benefit.

In the disposition of the tribal forest property to implement termination of Federal supervision over the Klamath Indian Tribe it is essential that (1) adequate compensation be obtained for the Indians, and (2) sustained-yield management of the tribal forest lands be assured. We recognize that these two basic objectives could be attained by the Federal acquisition of the entire tribal forest for national-forest purposes as proposed by S. 2047. But the beneficial ownership of the tribal forest has been in the Indians and those who might elect to remain in the tribe should be permitted to retain their share of the tribal forest lands and manage them under the terms of the Termination Act.

Sustained yield on the remainder of the tribal forest that must be disposed of in order to compensate the Indians who do not choose to stay on the tribal rolls would be assured by adding it to the national-forest system. Also its Federal purchase for that purpose could provide adequate compensation to the Indians. However, if purchasers would be willing to pay for those tribal forest lands at a price that would adequately compensate the Indians, and if at the same time purchasers would agree to manage them under satisfactory and enforcible requirements for sustained yield, it would be appropriate to provide for such sales. If purchasers will not buy under these conditions, this forest land should be acquired for national-forest purposes. Another point is that appraisals of the tribal property already have been under the provisions of the Termination Act. There is no need to provide for another appraisal at additional cost.

In its submission of the substitute bill, the Department of the Interior points out the Federal acquisition cost will be dependent upon the number of members who elect to withdraw from the tribe and the amount of forest lands sold under the terms of the bill. Assuming that purchasers are found, administrative costs to this Department will be involved in reviewing timber-management plans submitted by bidders and supervising sustained-yield operations of purchasers. There is no way of estimating these costs at this time.

The Bureau of the Budget has advised that it has no objection to the submission of this report.

Sincerely yours,

E. T. BENSON, *Secretary.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., January 10, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in response to your request for this Bureau's views on S. 2047, to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians.

The Department of the Interior in a report being submitted to your committee recommends that S. 2047 not be enacted in its present form but that it be enacted if it is amended to conform substantially to the draft of a substitute bill presented by that Department.

The Bureau of the Budget concurs in the recommendation of the Department of the Interior on S. 2047.

Sincerely yours,

ROBERT E. MERRIAM, *Assistant Director.*

Senator NEUBERGER. On January 13, the Secretary of the Interior submitted to the Congress an executive communication containing a draft of a proposed bill to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Because of the continuing need for a solution to the existing situation and the rapid approach of the summer when timber sales must begin, I sponsored the department's bill, by request. I am not endorsing the administration's bill, which has been designated as S. 3051.

However, in fairness to the Secretary, the Indians, and others, the bill should be before us for consideration. I am openminded as to its ultimate operation.

Without objection, I will insert in the record at this point the executive communication from the Secretary of the Interior to the President of the Senate, dated January 13, 1957, together with the Department's bill which I sponsored at their request.

(The communication and proposed bill follow:)

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 13, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

We recommend that the proposed bill be referred to the appropriate committee for consideration; and we recomend that the bill be enacted.

The purpose of the bill is to assure the continued sustained-yield management of the part of the Klamath Indian forest that must be sold in order to pay the members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

Congress has determined by the Termination Act of August 13, 1954 (68 Stat. 718), that a continuation of the Federal trust over the property of the Klamath Indians would not be in the best interest of the Indians. The essence of the Termination Act is that the Klamath Indians shall be freed of all Federal restraints applicable to them because of their Indian origin, and that they shall be placed in the same status as all other citizens, subject to no special restrictions or rights. As would be the case in any group, however, certain individuals may not be qualified to handle a large capital asset with reasonable prudence, and the 1954 statute requires the Secretary of the Interior to safeguard the interests of these individuals, before terminating the Federal trust, by arranging for the appointment of guardians through the State courts or by such other means as he deems adequate, which could include the establishment of individual private trusts for them.

Another basic feature of the Termination Act is the provision that each member of the tribe shall be given an opportunity to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him. Those members who remain in the tribe will participate in a tribal management plan for the residual tribal assets.

The need for further legislation arises from the fact that a large percentage of the members of the tribe is expected to withdraw from the tribe, which will require a large part of the forest to be sold in order to pay the withdrawing members their proportionate share of the tribal assets. If such sales are made under

the present law a large part of the forest will not be continued under sustained-yield management.

The conservation of this timber resource is of primary importance to the economy of the area and to the welfare of the public generally. In recognition of this fact, Congress has deferred any sales of tribal forest lands until after the end of the 2d session of the 85th Congress in order that further legislation may be considered.

The manner in which the Klamath Indian forest is managed in the future will have a vital impact on the life and economy of the entire Klamath River Basin. If it is kept intact and managed according to sustained-yield principles, the forest will remain a perpetually productive source of pondosa pine and other commercial species. Such management will also assure continuation of its important function as a watershed. The large numbers of migratory waterfowl for which it now provides nesting and feeding grounds will be protected, as will the deer and other species of wild animals that now find sanctuary within its boundaries. Further development of the forest's recreational potential will also be made possible.

If sustained-yield management is abandoned and the forest is broken up and disposed of in small individual tracts, all these values soon may be lost.

The likelihood of the forest's being dissipated in this fashion is a matter for genuine concern.

The tremendously disruptive influence that rapid cutting of the Klamath forest would have on the economy of the area is not difficult to contemplate when it is realized that 40 percent of the area's economy is based on timber production, and that the Indian timber includes about 26 percent of the total commercial-forest area and 26 percent of the sawtimber volume in Klamath County.

Other values of the forest, while less tangible than timber, are of significant importance and must be considered in the public interest.

In the fall, waterfowl by the millions, following the Pacific flyway, pour into the Upper Klamath Basin to rest and feed before continuing southward to their wintering grounds. The marsh on the Klamath Reservation is the most important marsh to waterfowl that is left unprotected in the Nation. This nesting area has been one of the mainstays in keeping up the supply of redheads, canvasbacks, and ruddy ducks in the Pacific flyway. Deer and other wild creatures also find year-round habitat in the forest.

The influence which the Klamath Reservation forest has in reducing flood crests and stabilizing the flow of streams throughout the year is a contributing reason for preventing the timber from being cut to the minimum specifications of the State law. Approximately 303,000 acres of irrigated farmlands are dependent on streams that head on the forest slopes of the Klamath Basin.

The maximum development of water power on the Klamath River cannot be realized without the protection of its headwaters. A large part of the extensive water resource of the Klamath Basin originates in the many large springs found on reservation lands. Rapid cutting of the Klamath Reservation forest well might jeopardize the farm production and the water power developments dependent on the watershed protection provided by this forest.

Furthermore, denuding this area of its forest cover would destroy its scenic and recreational appeal, and the slash left from hurry-up logging operations would tend to increase the fire hazard.

When it is considered that this 745,280-acre tribally owned forest area, described as one of the finest of its type, now is contributing so vitally to the general welfare of the Klamath River Basin and to the Nation it must be concluded that any action that would in the long run diminish or eliminate those benefits should be avoided.

This Department believes that only through sustained-yield management of the forest can its timber, water, wildlife, and recreational resources be maintained. It is generally conceded that much of the area will not be continued under sustained-yield management if it is sold under the present law.

Federal acquisition of the part of the forest that must be sold, and payment to the Indians of the full amount they could expect to receive if the forest lands were sold under the present Termination Act, would accomplish the conservation objective without infringing the rights of the Indians. Before authorizing Federal acquisition, however, we believe that private industry should be given an opportunity to acquire the land, at the same price, subject to an enforceable contractual agreement to follow sustained-yield management practices.

There are two major difficulties to this approach. One is that Federal enforcement of a sustained-yield agreement will present administrative problems.

These will be minimized if the lands that are to be sold are offered for sale in a comparatively small number of units, for example, 10 to 15, containing relatively large acreages. The other is the possibility that private industry may not be willing to pay the full market value of the land if it is subjected to a sustained-yield requirement. This fact can be ascertained only by making the offer. If private industry is not willing to purchase under these circumstances, then this Department recommends Federal purchase of the lands.

If the forest lands cannot be sold to private industry under the plan proposed, Federal acquisition would be in accord with the conservation program vigorously pursued by President Theodore Roosevelt a half century ago. In his annual message to Congress dated December 3, 1901, as quoted in 103d Congressional Record, page 1257, he said:

"The forest reserves will inevitably be of still greater use in the future than in the past. Additions should be made to them whenever practicable, and their usefulness should be increased by a thoroughly businesslike management."

In a letter dated August 24, 1906, as quoted in 103d Congressional Record, page 1258, to Gifford Pinchot, President Roosevelt said:

"The forest policy of the administration * * * is based * * * on the vigorous purpose to make every resource of the forest reserves contribute in the highest degree to the permanent prosperity of the people who depend upon them. If ever the time should come when the western forests are destroyed, there will disappear with them the prosperity of the stockman, the miner, the lumberman and the railroads, and most important of all, the small ranchman who cultivates his own land. I know that you are with me in the intention to preserve the timber, the water, and the grass by using them fully, but wisely and conservatively. We propose to do this through the freest [sic] and most cordial cooperation between the Government and every man who is in sympathy with the policy, * * *."

The bill which we recommend can be summarized as follows:

1. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest and the tribal marsh.

2. The Indians who elect to stay in the tribe will keep the part of the forest that is allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law. The proposed management plan provides for sustained yield management.

3. The rest of the forest that must be sold on behalf of the withdrawing members will be offered in appropriate units for private purchase—

(*a*) at not less than the appraised realization value,

(*b*) subject to sustained-yield requirements that are enforceable by a forfeiture and reversion of title in the event of a violation of the requirements. Enforcement could also be obtained by injunction in appropriate cases.

Realization value is the amount for which the lands could be sold on the open market prior to the termination date, without limitation on use, if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law. The Indians cannot be required to take less.

4. The Secretary of Agriculture will purchase at the realization value any of the forest units not purchased by private industry that are suitable for national forest administration. Any units that are not purchased by private industry or by the Secretary of Agriculture will be sold by the Secretary of the Interior under the Termination Act. Any purchase by the Secretary of Agriculture will occur on or about January 1, 1960, which should permit the termination program to be completed by August 13, 1960, as required by present law.

5. If any of the forest lands retained by the tribe are later offered for sale, the Secretary of Agriculture must be given the right of first refusal, and he is authorized to buy them for addition to the national forest system.

6. The Secretary of the Interior will buy the marsh at its realization value, effective January 1, 1960, and it will become a national wildlife refuge.

7. Any Klamath Indian who is occupying a homesite on forest land acquired by the Secretary of Agriculture will be entitled to continue to occupy a reasonable acreage of the homesite under regulations of the Secretary of Agriculture.

8. If lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract, the Secretary of Agriculture will be responsible for administering the contract.

9. Any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its assigns to use any roads thereon. This provision is designed to assure adequate access to national forest lands and to any other lands that may be sold subject to sustained yield management requirements enforceable by the Secretary of Agriculture.

10. If the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary is authorized to adopt a management plan. This provision remedies a hiatus that exists in the present law.

11. The present requirement that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed because it will tend to cause a dissipation of the funds and to interfere with the establishment of guardianships and trusts for the Indians who need assistance.

12. The present preference right of any Klamath Indian to buy tribal lands that are offered for sale is clarified by spelling out the precise manner in which a withdrawing Indian may apply toward the purchase price the amounts due him as a withdrawing member. The present law is not clear in this respect.

We are not able to estimate at the present time the amount of the Federal appropriation that may be necessary to carry out the provisions of the bill. The amount will depend upon the number of members who elect to withdraw from the tribe, and upon the willingness of private industry to purchase tribal forest lands at their realization value and subject to sustained yield management requirements. Any Federal funds required will need to be appropriated in fiscal year 1960. Such expenditure is not expected to require the employment of any additional employees by this Department.

The Secretary of Agriculture concurs in our recommendation that the enclosed bill be enacted.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

[S. 3051, 85th Cong., 2d sess.]

A BILL To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than seventy-five years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided*, That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropirated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who will be given a period of twelve months after the date of each offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to be the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 State 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as deter-

mined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsecton 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property. subject to the provisions of section 15 of the Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 percentum of the amount estimated by the Secretary to be due him from the converison of his interest in other tribal property".

(The following communication with respect to the proposed bill was received:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, February 3, 1958.

HON RICHARD NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: Further reference is made to your letter of January 22, 1958, requesting our comments on S. 3051. You state that in view of the sustained-yield covenant and the proposed realization value to be paid to the Klamath Indians, you desire our opinion as to the constitutionality of the proposed bill and the liability which the United States might incur if the bill is enacted.

So far as concerns the constitutionality of a law enacted by the Congress, we necessarily are obliged to assume that any law enacted by the Congress is constitutional until determined otherwise by the Supreme Court of the United States.

It appears that your doubt in the matter arises from the fact that under the proposed bill the Indians may not receive as much for their land, if sold subject to a covenant by the purchasers to adhere to sustained-yield plans, as they otherwise might receive if the land was sold without limitations on its use thus resulting in a taking of the Indians' land without paying just compensation therefor. The courts have consistently held that the United States has power to control and manage the affairs of its Indian wars in good faith for their welfare, including the right to authorize the expropriation of their lands (*United States* v. *Klamath Indians* (304 U. S. 119)). However, where the use and occupancy of lands by an Indian tribe have been recognized by the Government, the courts consistently have held that the tribe must be compensated if the lands are subsequently taken from them (*Shoshone Tribe* v. *United States* (299 U. S. 476); *United States* v. *Shoshone Tribe* (304 U. S. 111); *United States* v. *Klamath Indians* (304 U. S. 119); *United States* v. *Tillamooks* (329 U. S. 40); *United States* v. *Creek Nation* (295 U. S. 103)).

Whether the sale of the land as proposed by the bill would result in a taking of the Indians' land without just compensation is not a matter within our knowledge. We believe, however, that the interests of the Indians would nevertheless

be adequately protected since under the authority of section 24 of the act of August 13, 1946 (60 Stat. 1049, 1055), they are permitted to petition the United States Court of Claims for any additional amount they believe due them as representing just compensation. In view of this fact it would appear reasonable to presume that the proposed bill, if enacted, would not be unconstitutional.

We note that the proposed section 28 (b) which would be added to the act of August 13, 1954, provides that the part of the forest lands that is selected to be sold on behalf of the withdrawing tribal members shall be first offered for sale to private purchasers on a competitive bid basis, at not less than realization value and subject to certain sustained-yield requirements. Realization value is defined as fair market value of the lands to be sold if as much as 70 percent of the forest were offered for sale on a competitive basis by August 13, 1960, without any limitation on its use. Subsection (c) of this section provides that if all the forest units offered for sale under subsection (b) are not sold before January 1, 1960, the Secretary of Agriculture may acquire any unsold units that in his judgment are suitable for administration as part of the national forest system and the remainder "shall be subject to sale without limitation on use * * *."

We believe that the provisions of subsections 28 (b) and 28 (c) may not accomplish the desired result, namely, the withdrawal of Federal supervision over Klamath Indians within a reasonable or any determinable period of time.

The availability of funds for payments to Indians who elect to withdraw from the tribe would appear to be made uncertain by the provisions of the proposed amendment, in that the Secretary of Agriculture would not be required to acquire any of the forest units required to be sold until after all private interests have been given the opportunity to purchase them and then only in the event he determines that the unsold units are suitable for administration as part of the national forest system. There appears no guaranty that these unsold units would be considered desirable by the Secretary of Agriculture or that, in fact, they could be disposed of for any purpose. It therefore appears highly improbable that the wish of the Congress to complete such payments and presumably terminate Federal jurisdiction over the Klamath Indians not later than August 13, 1960, as provided in section 6 of the act of August 13, 1954, as amended, will be realized.

The proposed section 28 (f) provides for homesites for Indians who have resided on lands taken by the United States by subsection (c) of this section. These Indians appear to be given preferential treatment when compared to other Indians who are perhaps neighbors but happen to reside on lands subsequently sold to private purchasers. Moreover, no mention is made of fees for the use of the Government land.

Section 3 of the bill provides that if no plan that is satisfactory both to the members who elect to stay in the tribe and to the Secretary of the Interior has been prepared 6 months before August 13, 1960, the Secretary shall adopt a plan for managing the tribal property. To avoid any misunderstanding regarding the termination of Federal supervision, we believe that language clearly showing that the Secretary would have no responsibility for carrying out the management plan would be desirable. Otherwise, this section might be interpreted to mean that the Secretary may continue to manage the property of the Indians which would result in defeating the termination purposes of the act.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Senator NEUBERGER. I would like to digress very briefly here to point out that the bill was introduced in the Senate by me by request on January 16, whereas it was not introduced in the House until January 30, 2 weeks later.

The Under Secretary of Interior, Hatfield Chilson, is with us this morning and I am sure will give a full explanation of S. 3051, as well as his Department's attitude on all the Klamath termination problems.

In addition, we have witnesses from the Department of Agriculture, and several members of the Klamath Tribal Executive Committee.

This hearing has been widely publicized throughout Oregon, and we have some distinguished citizens present who desire to address themselves to the bills before us.

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Other interested individuals and organizations have submitted statements, which will be included in the printed record.

I would like to point out that we are very pleased to have two distinguished representatives of the Oregon State Legislative Interim Committee on Indian Affairs with us: Senator Leander Quiring of Umatilla County, and Mr. David C. Epps of Linn County.

It is my hope that the hearings con be printed shortly, and, therefore, I should like to encourage those wishing to submit statements to do so at the earliest possible date. I have requested that the staff prepare a list of the individuals and companies who have been invited to give us their views on the pending bills.

Without objection, the list will be printed in the hearing record.

(The list is as follows:)

INDIVIDUALS AND COMPANIES SENT NOTICE OF HEARINGS ON S. 2047, S. 3051

T. B. Watters, chairman, Management Specialists, 139 South 7th Street, Klamath Falls, Oreg.
Rollin E. Bowles, Izaak Walton League of America, Inc., Weatherly Building, Portland, Oreg.
Hon. Lyle F. Watts, 1426 Northeast Thompson, Portland, Oreg.
Al Hartung, president, International Woodworkers of America, North Interstate and Lombard, Portland, Oreg.
Frank Jenkins, editor, News Review, Klamath Falls, Oreg.
Robert W. Chandler, editor, Bend Bulletin, Bend, Oreg.
Malcolm Bauer, editor, the Oregonian, Portland, Oreg.
Roy Beadle, editor, the Journal, Portland, Oreg.
Charles A. Sprague, editor, Salem Statesman, Salem, Oreg.
Robert Frazier, editor, Eugene Register-Guard, Eugene, Oreg.
J. W. Forrester, editor, Pendleton East Oregonian, Pendleton, Oreg.
William Ganong, Klamath Falls Chamber of Commerce, Klamath Falls, Oreg.
George Weyerhaeuser, Weyerhaeuser Timber Co., Tacoma, Wash.
Leonard B. Netzorg, 608 Equitable Building, Portland, Oreg.
Mrs. Martha Ann Platt, 2738 Northeast 14th Avenue, Portland, Oreg.
Norbert Leupold, Oregon Audubon Society, 5219 Northwest Cornell Road, Portland, Oreg.
Mark Talney, YMCA Building, Portland, Oreg.
Boyd Jackson, Klamath Agency, Oreg.
C. B. Stephenson, president, First National Bank of Portland, Portland, Oreg.
John L. Stewart, Route 2, Box 542, Klamath Falls, Oreg.
Delford Lang, chairman, tribal executive committee, Klamath Agency, Oreg.
Wade Crawford, Star Route, Chiloquin, Oreg.
Hon. David Epps, Sweet Home, Oreg.
Hon. Leander Quiring, Hermiston, Oreg.
Hon. John L. Kerbow, Klamath Falls, Oreg.
Hon. Leroy Gienger, Chiloquin, Oreg.
John A. Rademaker, 960 Shipping Street, Salem, Oreg.
Earle Wilcox, Management Specialists, 139 South 7th Street, Klamath Falls, Oreg.
William B. Morse, Wildlife Management Institute, 2146 Northeast 10th Avenue, Portland, Oreg.
Hon. Samuel Wilderman, 1032 Southwest Jackson, Portland, Oreg.
O. K. Puckett, 1927 Earle Street, Klamath Falls, Oreg.
Maurice Strantz, manager, Tulelake Irrigation District, P. O. Box 787, Tulelake, Calif.
Jesse Kirk, Klamath Agency, Oreg.
Dibbon Cook, Klamath Agency, Oreg.
Elnathan Davis, Klamath Agency, Oreg.
Nelson Reid, citizens committee, 323 Main Street, Klamath Falls, Oreg.
Hiriam Robbins, Klamath Agency, Oreg.
Chester L. Langslet, P. O. Box 101, Klamath Falls, Oreg.
Dan Brown, Francis Brown Sawmill, Klamath Falls, Oreg.
Henry Bahr, National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D. C.

West Coast Lumberman's Association, 1410 Southwest Morrison, Portland, Oreg.
W. D. Hagenstein, Industrial Forestry Association, 1410 Southwest Morrison, Portland, Oreg.
Western Pine Association, Yeon Building, Portland, Oreg.
American Forestry Association, 917 17th Street NW., Washington, D. C.
L. L. Simpson, secretary, Southern Oregon Conservation and Tree Farm Association, Goldy Building, Medford, Oreg.
G. A. Krouse, Klamath Lumber & Box Co., Klamath Falls, Oreg.
Brooks-Scanlon, Inc., Bend, Oreg.
Burnt River Lumber Co., Baker, Oreg.
Car-Ad-Co Co., Klamath Falls, Oreg.
Commercial Lumber Sales, Inc., Roseburg, Oreg.
Eldorado Lumber Co., Klamath Falls, Oreg.
Elk Lumber Co., Medford, Oreg.
Fir Milling & Planing Co., Ashland, Oreg.
Fremont Sawmill Co., Lakeview, Oreg.
Gilchrist Timber Co., Gilchrist, Oreg.
Klamath Basin Pine Mills Co., Klamath Falls, Oreg.
Kogap Lumber Industries, Medford, Oreg.
Lumber Mills Corp., Ashland, Oreg.
Leonard Lundgren Lumber Co., Bend, Oreg.
Magnolia Lumber Corp., Ashland, Oreg.
Mistletoe Planing Mill, Belleview, Oreg.
Modoc Lumber Co., Klamath Falls, Oreg.
South Oregon Planing Mill, Medford, Oreg.
Spangler Lumber Co., Bly, Oreg.
Timber Products Co., Medford, Oreg.
Robert P. Ellingston, Jr., Ellingston Lumber Co., Klamath Falls, Oreg.
Ralph L. Smith Lumber Co., Anderson, Calif.
United States Plywood Co., Box 1688, Redding, Calif.
Hon. Percival F. Brundage, Director, Bureau of Budget, Washington, D. C.
Hon. Ervin L. Peterson, Assistant Secretary of Agriculture, Department of Agriculture, Washington, D. C.

In the interest of orderly procedure, I shall ask that witnesses representing the administrative departments be heard first.

We shall begin with Secretary Chilson.

Mr. Secretary, we are very pleased that you are here with us this morning.

STATEMENT OF HON. O. HATFIELD CHILSON, UNDER SECRETARY OF THE INTERIOR, ACCOMPANIED BY JOHN F. SHANKLIN, STAFF ASSISTANT, OFFICE OF THE SECRETARY; H. REX LEE, ASSOCIATE COMMISSIONER, BUREAU OF INDIAN AFFAIRS; LEWIS A. SIGLER, SOLICITOR'S OFFICE; AND TED STEVENS, LEGISLATIVE COUNSEL

Mr. CHILSON. Mr. Chairman, we appreciate the opportunity to appear and discuss this rather vexatious problem with the committee.

Mr. Chairman, the letter dated January 13, 1958, from the Secretary of the Interior, Secretary Seaton, discusses at some length the conservation problem that has recently become acute. As that letter is a part of your record, I shall not repeat the discussion.

Mr. Chairman, I believe that both you and we in the Department share the same two basic objectives. Those two basic objectives are:

1. Assurance that the Indians will receive the fair market value of the part of the Klamath Forest that is sold to carry out the purposes of the act; and

2. Assurance that the forest will continue to be managed on a sustained-yield basis.

The Bureau of Indian Affairs has managed the forest on a sustained-yield basis for many years.

Before discussing the pending bills, I should like to review briefly the sequence of events that have led up to the present situation.

The subject of termination of Federal supervision over the Klamath Tribe has been under study by this Department over a period of many years and has been before Congress on repeated occasions since 1946.

Extensive congressional hearings have been held, both in Washington and in the field.

Consequently, the congressional decision in 1954 to terminate Federal supervision over the Klamath Tribe was the result of careful consideration extending over a considerable period of years.

It is our considered judgment that the termination of Federal supervision over the Klamath Tribe is highly desirable.

One of the difficult problems connected with termination of Federal supervision over the Klamath Tribe resulted from a sharp factional cleavage existing within the tribe. One faction desired, upon termination, that their share of the tribal assets should be paid or distributed to them as individuals, and the other faction desired to hold the tribal assets in communal ownership.

This problem, too, had been considered by the Department and congressional committees over a period of years and bills had been drafted and introduced on different occasions which included provisions designed to solve this problem.

The 1954 act and the provision for partition and sale of the tribal assets, whereby the withdrawing members could receive their proportionate shares, was approved by representatives of the two contending factions before it was enacted by Congress.

Our present difficulty stems from the present indications that a large percentage of the members may elect to withdraw and take their share of the tribal assets in cash.

At the time of the passage of the 1954 act it was believed that only a comparatively small percentage of the members of the tribe desired to withdraw. It was not anticipated that any major problems would be involved in disposing of a sufficient amount of the tribal assets to pay the withdrawing members.

More recently it appears that a large percentage of the tribe may elect to withdraw, perhaps as many as 70 percent. To proceed with the sales of the tribal forest lands on the scale necessary to pay the number of withdrawing members who are presently expected to withdraw will create the major problems discussed in our letter of January 13, 1958. These are the problems which both bills, S. 2047 and S. 3051, are designed to solve.

We believe the problems involved and the consequences which may be expected by proceeding under the present Termination Act are of major importance and significance and justify consideration and action by the Congress.

Now let me suggest what we regard as the more important differences in the approach taken by the two pending bills.

1. S. 2047 requires the sale of all tribal lands, both forested and nonforested, and the distribution of the proceeds to the members. No lands would be kept by the tribe. S. 3051, on the other hand, would require the sale of only that part of the tribal land that must be sold in order to pay the members who elect to withdraw from the tribe.

We do not know how many that will be. It might be 70 percent. It might be more, and it might be less. Whatever the number, we believe that the act should not require the sale of more of the tribal land than is necessary to pay the members who elect to withdraw.

A sustained yield management plan for managing the part of the forest retained by the tribe will be prepared in accordance with the present Termination Act. The Indians who stay in the tribe will make their decision with the expressed understanding that the sustained yield plan will be followed.

Although this plan will be subject to change in future years, we do not believe that this arrangement presents any appreciable risk of quick liquidation.

2. The next difference relates to the advisability of offering to sell the part of the forest that must be sold, to any private purchaser who will agree to pay the full appraised realization value of the land, and who will agree to follow an enforceable sustained yield management plan, before authorizing Federal acquisition of the land.

S. 3051 provides for that procedure. S. 2047 provides only for Federal acquisition without offering private bidders the opportunity to buy.

Now bear in mind that the objective of both of these approaches is to assure continued sustained yield management of the forest. Both approaches will accomplish that objective. The question therefore resolves itself to this: Should the Federal Government buy the forest, which clearly would assure sustained yield management, without first letting private industry have an opportunity to buy the forest land under conditions that will also assure sustained yield management?

If private industry will buy any part of the forest at the same price that the United States would pay, but subject to an enforceable sustained yield requirement, the conservation objective will be accomplished and a large Federal expenditure will be avoided. We believe that would be desirable.

If, however, private industry will not buy under these conditions, we believe that the forest lands involved should be purchased by the Federal Government.

Private industry may not be willing to buy under these conditions. No one knows for certain whether it will or will not. The only way to find out is to offer the opportunity. I am sure that the committee is quite aware that many lumber and paper companies are managing tracts of forest lands in accordance with the sustained yield principle; yet the stumpage on these lands could be liquidated on the current market at retail prices.

The reasons that cause the sustained-yield operator to withhold his timber from the "quick market" are undoubtedly complex ones, but they may be equally applicable to the bidding on the Klamath Forest.

Now let me say a few words about the two conditions attached to private purchase by S. 3051.

The first is that the purchaser must pay not less that the realization value of the land. Realization value means the value the Indians could expect to receive from sales on an open, unrestricted market if

as much as 70 percent of the forest were offered for sale during the next 2 years, the time limit for sales set by the present law.

The Indians cannot be expected or required to take less. In other words, the withdrawing members are entitled under the present law to have their proportionate share of the tribal assets sold and converted into money during the next 2 years, on an open market, and any sale with sustained yield restrictions should not be allowed to decrease that price.

The second condition relates to the contents of the sustained yield plan and the methods for enforcing it. The minimum specifications for sustained yield will be prescribed in advance of bidding by the Secretary of the Interior and the Secretary of Agriculture, acting jointly. Each bidder will then prepare his own plan within the limits of these minimum specifications. This will allow the bidder to consider his own special needs and his other holdings.

The responsibility for overseeing the purchaser's compliance with the plan is placed on the Secretary of Agriculture. The remedies for violation of the plan will be an injunction through the courts in appropriate cases, or a judicial proceeding for a forfeiture and a reversion of the title to the United States.

In order for this system to work, we pointed out in our transmittal letter that the sale units will be comparatively large ones. This is considered necessary if each unit is to be susceptible to an economically feasible sustained yield plan, and if the supervisory function of the Secretary of Agriculture is to be kept within reasonable bounds.

Although this will result in a small number of units being offered for sale subject to sustained yield management, there will still be available for the timber operators in the region the timber on tribal lands not classified as forest lands, the timber on the Indian allotted lands, the timber on the tribal forest lands retained by the tribe, the timber on the present national forest lands, and the timber on any portion of the tribal forest lands which is acquired under the proposed act by the Federal Government.

3. The next difference between the two bills is that S. 2047 requires a new appraisal of the forest to be made, while S. 3051 would use the appraisal that is being made under the present act.

We believe that this appraisal when approved will be adequate, and that the expense of a new appraisal would not be justified. I have a summary of the appraisal figures with me.

Mr. Chairman, I have a few typewritten copies here.

Senator NEUBERGER. Would you like me to have this included on the record at this point, or at the end of your testimony? Inasmuch as you submitted it, Mr. Secretary.

Mr. CHILSON. It might be helpful.

Senator NEUBERGER. Without objection, at the conclusion of the Secretary's formal statement, this will be included in the record.

Mr. CHILSON. Now, referring to these appraisal figures they have not yet been accepted as final under the terms of the law because some of the supporting data has not been received and reviewed. We expect that data momentarily, and we do not expect that it will affect the summary figures except for 1958 transactions.

If a new appraisal should be required, we believe that the appraisal should reflect values applicable to sales within the time limits

prescribed by the Termination Act, and that the appraisal should be made without expense to the tribe.

Now a word about cost.

S. 2047, which provides for Federal acquisition of all tribal lands, would cost approximately $122 million on the basis of the present appraisal of realization values.

S. 3051 would cost $406,600 for the Federal acquisition of the tribal marsh, plus an amount for possible Federal acquisition of forest lands that cannot be determined until there has been a determination of the number of Indians who want to withdraw from the tribe.

That information will probably not be aavilable for another 10 or 12 weeks. If it is assumed that approximately 70 percent of the members will withdraw, the maximum cost to the Federal Government, including the marsh, would be approximately $83 million on the basis of the present appraisal of realization values. This amount would be reduced by the amount of any sales that may be made to private purchasers.

If all of the members should withdraw, which is most unlikely, the maximum cost to the Federal Government, inclusive of the marsh, would be approximately $117 million, reduced by the amount of any sales that may be made to private purchasers.

I should like to close this statement by reading from our report a brief summary of S. 3051. I believe that it is important to have this summary clearly before us as a basis for further questions. After that, I have several members of my staff with me, and with their assistance I shall be glad to answer any questions you may have.

I might amend that a little and say "try," Mr. Chairman. The bill provides as follows:

1. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest and the tribal marsh.

2. The Indians who elect to stay in the tribe will keep the part of the forest that is allocated to them and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law.

The proposed management plan provides for sustained yield management.

3. The rest of the forest that must be sold on behalf of the withdrawing members will be offered in appropriate units for private purchase:

A. At not less than the appraised realization value; and

B. Subject to sustained yield requirements that are enforcible by a forfeiture and reversion of title in the event of a violation of the requirements. Enforcement could also be obtained by injunction in appropriate cases.

Realization value is the amount for which the lands could be sold on the open market prior to the termination date without limitation on use if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law. The Indians cannot be required to take less.

4. The Secretary of Agriculture will purchase at the realization value any of the forest units not purchased by private industry that are suitable for national forest administration. Any units that are not purchased by private industry or by the Secretary of Agriculture will be sold by the Secretary of the Interior under the termination act. Any purchase by the Secretary of Agriculture will occur on or about January 1, 1960, which should permit the termination program to be completed by August 13, 1960, as required by the present law.

5. If any of the forest lands retained by the tribe are later offered for sale the Secretary of Agriculture must be given the right of first refusal and he is authorized to buy them for addition to the national forest system.

6. The Secretary of the Interior will buy the marsh at its realization value effective January 1, 1960, and it will become a national wildlife refuge.

7. Any Klamath Indian who is occupying a homesite on forest land acquired by the Secretary of Agriculture will be entitled to continue to occupy a reasonable acreage of the homesite under regulations of the Secretary of Agriculture.

8. If lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract the Secretary of Agriculture will be responsible for administering the contract.

9. Any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its assigns to use any roads thereon. This provision is designed to assure adequate access to national forest lands and to any other lands that may be sold subject to sustained yield management requirements enforcible by the Secretary of Agriculture.

10. If the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary is authorized to adopt a management plan. This provision remedies the hiatus that exists in the present law.

11. The present requirement that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed because it will tend to cause a dissipation of funds and to interfere with the establishment of guardianship and trust for the Indians who need assistance.

12. The present preference rights of any Klamath Indian to buy tribal lands that are offered for sale is clarified by spelling out the precise manner in which a withdrawing Indian may apply toward the purchase price the amounts due him as a withdrawing member.

The present law is not clear in this respect.

That finishes my statement, Mr. Chairman.

(General summary of tribal assets previously referred to, is as follows:)

GENERAL SUMMARY OF TRIBAL ASSETS

(For purposes of this appraisal "Realization value" means the amount which it is estimated may be realized under terms of Public Law 587, as amended. The appraisal shows realization values as of October 21, 1957, and other values

as of February 28, 1957. It does not reflect timber sales after the appraisal date, or tribal expenditures in fiscal year 1958.)

Item	Number of units	Realization value or other amount
Klamath timber units	95	$118,391,610.00
Klamath grazing units	22	468,990.00
Marsh units	2	407,056.00
Farm units	3	331,720.00
Agency buildings	4	142,000.00
Economic units other than listed above	10	923.00
Net tribal assets other than economic units		3,982,719.10
Appraised tribal net worth		123,725,018.10
Net budgeted expenditures for fiscal year 1957		2,081,100.00
Estimated assets available for distribution, subject to adjustment for sales and expenditures in fiscal year 1958		121,643,918.10

Senator NEUBERGER. Thank you very much, Mr. Secretary.

Senator Watkins, do you have some questions you would like to ask of the Secretary?

Senator WATKINS. I would like to ask the Secretary how you have made your estimate, on what basis did you make your estimate that 70 percent would like to withdraw?

Mr. CHILSON. The Management Specialists have had a survey made by the Stanford Research Organization. I believe that is the figure they came up with.

Senator WATKINS. That is an independent group?

Mr. CHILSON. Yes.

Senator WATKINS. When was that done?

Mr. CHILSON. Approximately a year ago.

Mr. SHANKLIN. It also has been confirmed by the Management Specialists. I am John F. Shanklin, staff assistant in the Office of the Secretary.

Mr. CHILSON. It might be helpful if the staff I have with me sit with me at the table.

Senator NEUBERGER. By all means. And I am going to suggest that Mr. Earle Wilcox, who is the forester with the Management Specialists, come up and sit with the committee staff, too.

I would like to suggest that Senator Quiring and Mr. Epps who are representing the State of Oregon come up here and make themselves a little more comfortable.

Mr. CHILSON. I have with me Mr. John Shanklin, Mr. Ted Stevens, legislative counsel; Mr. Rex Lee, and Mr. Lewis Sigler.

Mr. Lee, of the Indian Bureau, and Mr. Sigler, of the Solicitor's office.

Senator NEUBERGER. I would like to say on the committee staff here is Mr. James Gamble, the clerk of the Indian Affairs Subcommittee; William Coburn, special counsel of the Interior Committee, and Robert Wolf, forester, and at the table here are Senator Quiring, of Umatilla, Oreg., who is the chairman of the Oregon State Legislative Committee on Indian Affairs, and Mr. David Epps, of Linn County, Oreg., who is one of the members.

Mr. CHILSON. Mr. Chairman, the date of the Stanford Research Institute report is April 1956.

Senator WATKINS. Did they do other work in connection with this problem other than to check to see how many Indians wanted to withdraw?

Mr. CHILSON. Yes, they did, Senator, such work as investigating and obtaining the attitudes and opinions of the Klamath people generally on the termination act, and they went into some of the social and economic conditions.

They also went into the matter of the size of the economic units of the timber sales.

Senator WATKINS. Under the program set out in S. 3051 for the Indians who elect not to take their interest at the time of termination, or before that time, how would their interests be managed after that?

Mr. CHILSON. The Management Specialists are preparing a management plan and a trust instrument whereby the assets to be held in communal ownership by those staying in the tribe would be managed by a trustee under this management plan, and, of course, the idea is to preserve the assets, to produce income for the Indians, and make regular payments to the Indians as income from their investment.

Senator WATKINS. Now, with respect to the trusteeships that you claim will be set up, do you have any idea how many of those will be necessary under the program that you set forth here?

Mr. CHILSON. There will be, first, the trusteeship to manage as a unit the assets that will be kept in communal ownership. As to those Indians who will be withdrawing there will be a number of those trust instruments.

Approximately half of the enrolled Indians are now minors and, of course, they will require some management, at least until they become of age and perhaps longer.

Senator WATKINS. That would be true if they were whites, under the regular law of the State of Oregon, I assume.

Mr. CHILSON. That is correct.

Now, as to the number of those adults who will require assistance in the management of their assets, I am not sure. Do we have any indication as yet as to the exact number?

Mr. LEE. There are approximately 1,100 minors, all of whom will go under trust arrangement.

We have made determinations on about 130 adults in the Bureau of Indian Affairs. Those are being reviewed by the Solicitor.

We have an additional group that are now being considered. Probably it would be between 140 to possibly as high as 200.

Mr. CHILSON. Adults?

Mr. LEE. Yes.

Senator WATKINS. Indians that would require a trustee?

Mr. CHILSON. Yes.

Senator WATKINS. Do you know the age of the Indians that would be in that group?

Mr. CHILSON. We have here a chart, do we not?

Mr. LEE. We have a chart showing the age distribution. We do not have a breakdown by age of those adults needing assistance. I

KLAMATH TRIBE

ENROLLED MEMBERS ON FINAL ROLL

(AS PUBLISHED IN FEDERAL REGISTER NOVEMBER 21, 1957)

AND

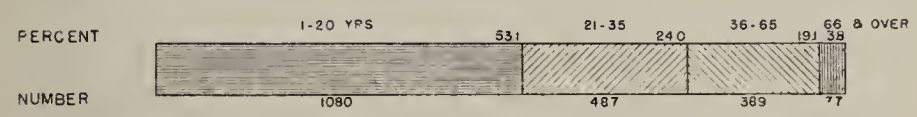
ENROLLMENT AS OF JANUARY 27, 1958



BY LOCATION
AS OF JANUARY 27, 1958



BY AGE GROUP
AS OF JANUARY 27, 1958



would say that, by and large, from our experience, it runs high in the upper-age brackets, the older Indians.

Mr. CHILSON. We have here, Mr. Chairman, a chart which might be helpful, showing the age groups.

For the record, if you wish me to offer the chart, I shall give the age groups.

Senator WATKINS. I would appreciate it if you would.

Senator NEUBERGER. I would like to have you read it, and then we will try to reproduce it as best as possible in the hearing record.

Mr. CHILSON. Fine.

From 1 to 20 years of age, approximately 50 percent.

Between the ages of 21 and 35, 28 percent.

Between 36 and 64 years, 17 percent.

And 65 and over, 5 percent.

Now, if you would like the breakdown in figures in the first group, it is 1,067, at least at the time the chart was made.

In the second group, 21 to 35, 599.

In the group 36 to 64, 364 persons.

And 65 and over, 103.

Senator NEUBERGER. The total number is what—2,133 of those eligible to be qualified as tribal members?

Mr. CHILSON. Yes, 2,133.

Senator NEUBERGER. Right along the line of that paritcular point that you have been discussing with Senator Watkins, here is something that has worried me for a long time ever since I heard the appraisal figures which you have given here today, which would be $122 million, or slightly more:

You have 2,133 members which means that the prorated share, according to this appraised value for each member, will be around $55,000.

Mr. CHILSON. I believe in that neighborhood.

Senator NEUBERGER. Inasmuch as it is that figure, which is very substantial, I have been worried in this way:

Is it possible that the percentage of withdrawees might be even higher than that prophesied by the Standard Research Institute report?

If you have a family of 4, that means under this $122,643,000 figure you have given us today they would receive nearly a quarter of a million dollars ultimately in tribal assets. Does that not alarm you that the figure might be higher than 70 percent due to the appraisal?

Mr. CHILSON. It is entirely possible, Mr. Chairman. I recently talked to Mr. Don Foster, the area director. In some instances we find that some of the families are at least considering a division. Part of the family would withdraw to get the cash to meet certain projects or purchases that they have in mind, and the rest of the family would stay in the tribe.

But I do not believe anybody can predict accurately at this time just what the situation will be.

Senator NEUBERGER. I am aware of that; but one thing I think we ought to have on the record is that this valuation is substantial; and when you see 4 individual people, you or me or anybody else with a potential sum of $55,000 per person, that is quite a factor in this kind of situation.

Mr. CHILSON. Yes, it is.

Senator NEUBERGER. Excuse me, Senator Watkins, I just wanted to bring that out.

Senator WATKINS. I appreciate your comments, Senator. I think that concerns everybody. That is one of the problems that will have to be faced in connection with citizens who are Indians.

Even if they were white people and had the ordinary training that white people get in schools it would still be a problem, but that has to be faced directly in courts in the estates and all that sort of thing and they find a way of taking care of children and aged, of course, and set up guardians for them and only occasionally is one of those estates mismanaged under the supervision of the courts.

It is a concentrated problem with that type of procedure in one locality.

If we had a lot of white people fixed in the same locality we would have probably the same kind of trouble.

We have noted that white people when they have rather large sums of money left to them, some of them dissipate it, some of them take

care of it, some of them put it in the bank and don't try to do anything about it, but live on the interest. They have all kinds of plans which they adopt.

People are people and, as Art Linkletter says, they are funny sometimes.

Senator NEUBERGER. I could not agree with you more.

Senator WATKINS. If we had 2,133 white people with the potential sum of $55,000 each in front of them, I would not want to vouch for any type of supervision you might have. They are still American citizens and we have people by the hundreds of thousands and by the millions that dissipate their funds; they go on working at good salaries during periods of prosperity and finally, if times pinch a little bit, they are all broke.

That indicates they have been going beyond what they ought to have been doing under some sort of prudent management.

It is a problem we will have to face. We cannot change human nature.

It seems as though we probably will go on and go on and go on.

Now, nearly 11 years ago I held hearings on the Klamath Reservation. Large numbers of the townspeople testified. We had various Indians testify, including Indian officials of the Indian Bureau.

As I recall, nearly all of the local people that testified and that included quite a number of officials, local officials in local government, were all of the opinion that the Indians were in a condition to take care of themselves. Some of them testified, as I recall, that they were worse off at the time we had this hearing than they had been 20 years before. That they had actually deteriorated in their ability to handle themselves and take care of their own affairs.

We had a mixed lot of opinions on the ability of the Indians to do the job.

I remember the local people felt they were quite sure the Indians could take care of the job, substantially in the same way that white people would do it.

I realize some of the big problems. I do not want to see them dissipate their assets. I hate to see people who have been given large sums of money go through it.

But, after all is said and done, if we are going to have a free America we cannot put them all under guardians simply because they are going to dissipate their money, provided they have average intelligence and have had the opportunity to be trained.

Now, let me ask you this question: Just how did the people who made this survey determine how many of these people would be able to take care of themselves and how many would not be able to?

Mr. CHILSON. Maybe I had better have Mr. Lee answer that.

Mr. LEE. We have taken our Klamath records, the local records of the agency, and our welfare people who are acquainted with the various families and have checked on their experience.

There are a number of criteria they have used; for example, the manner in which they have used their per capitas and their income in the past, whether or not they have a record of drunkenness, a record of lawbreaking, what their educational background has been; whether or not they have been on relief—a number of criteria of that kind.

They have taken all of that data and made a determination and they have usually sat down with the family and discussed the problem.

As result of that they have weeded out between 130 and 180 cases where they think they might need assistance, adult cases.

Now, on the minors we have simply gone on the assumption that all of the minors needed some type of protection.

Senator WATKINS. That ought to be as a matter of law, I assume.

Mr. LEE. That is correct. Senator Watkins, you will recall that the original termination act, and the amendment that was passed last year, specifically directed the Secretary to take whatever means were necessary to protect minors and non compos mentis and other persons in need of assistance.

Now, in view of the fact that this is a large payment or proposes to be a large payment, we have been rather careful in making those selections.

Senator WATKINS. You think there are management people in that area who would take these jobs as trustees?

Mr. LEE. Yes, sir; we have checked the problem with all of the large trust companies in the State of Oregon.

They have all indicated their willingness to take on the job of handling these individual trusts. We have four of the trust companies that have actually sat down and formed a committee to assist us on this problem. They have all indicated a willingness to take these individual trusts.

Mr. CHILSON. May I add, too, Senator, that I understand that all of the Indians are being informed that even though under the act they are not required to have assistance in managing their property, that this same trust arrangement is available to any of the Indians who desire to enter into these agreements on a voluntary basis.

That is being explained to all of the Indians. This help is available to them even though the termination act does not require that their property be placed under a trustee.

Mr. LEE. I think we might add that a few Indians have actually requested the establishment of a trust for them and have established trusts.

Senator WATKINS. Already?

Mr. LEE. Already; yes, sir. Those are voluntary trusts and not the involuntary type we were talking about a few minutes ago.

Senator WATKINS. Was an investigation made as to the cost of operating these trusts?

Mr. LEE. Yes, sir; we have investigated the cost. We think the cost of these trusts will be substantially lower than a guardianship arrangement. In fact, we think financially it will be much more favorable to the individual Indians than a guardianship arrangement.

Senator WATKINS. This does not contemplate that the courts will appoint guardians for these Indians?

Mr. LEE. No. sir; they contemplate that the Secretary of the Interior will establish this trust prior to the releasing of the money of the individual.

Senator WATKINS. Trusts for these Indians who are deemed to be incompetent and need help?

Mr. LEE. That is correct.

Senator WATKINS. I understood from Mr. Chilson's statement that there would be a trusteeship set up for the management of the property retained by Indians who do not wish to withdraw; is that right?

Mr. CHILSON. That is correct.

Senator WATKINS. What type of trusteeship would that be?

Mr. CHILSON. There is a regular trust instrument which provides what the powers of the trustee are—investment management and so forth.

Then, as I understand it, along with that is a plan of management that is prepared by the Management Specialists which is the plan that if adopted will be followed by the trustee in the management and operation of the property.

Senator WATKINS. That trust will be operated under the direction of the Indian Bureau?

Mr. CHILSON. No, it will be a trust company the same as the individual trusts are.

Senator WATKINS. It will be entirely out of the hands of the Indian Bureau.

Mr. CHILSON. That is correct. After the termination is complete the Federal Government will have no more supervision over the matter. It will be the same as a trust by any other citizen.

Senator WATKINS. How are these trusts terminated if they are terminated at all?

Mr. LEE. On the individual trust, the individual trust is set up to terminate whenever the trustee deems that the individual is capable of taking over and managing his or her affairs.

The tribal trust is set up, as I recall, for the lifetime of the last surviving member with the opportunity of reviewing it each 5 years.

Senator WATKINS. Suppose there arises a dispute between the beneficiary and trustee as to whether or not the beneficiary is able to take care of his affairs, what provision will be made for that situation?

Mr. LEE. Then he will have access to the local courts.

Senator WATKINS. The same as any other trustee or beneficiary would have?

Mr. LEE. That is right. In the trust instrument, the provisions of the trust are outlined and are clearly spelled out, that the objective of the trust is for the education and training of the individual so that he might handle his own affairs and if the trust company should violate those principles, then, of course, the beneficiary would have the right to take him into court.

Senator WATKINS. Do you have a sample copy of any proposed trusteeship?

Mr. LEE. Yes, sir; we do have a copy. We will be glad to submit it for the record.

Senator WATKINS. I think it would be very helpful for the committee so that we can see what type of program you contemplate.

Senator NEUBERGER. I agree with Senator Watkins. If you submit that now or later on, it will be made a part of the hearing at this point.

Mr. LEE. We will be glad to submit that, Mr. Chairman.

Senator NEUBERGER. Thank you, Mr. Lee.

(The statement referred to follows:)

JANUARY 17, 1958.

This agreement between the Secretary of the Interior of the United States (hereinafter referred to as the Trustor), acting pursuant to the Act of August 13, 1954 (68 Stat. 718), as amended, and on behalf of _____ _____ a member of the Klamath Tribe (hereinafter referred to as the Beneficiary), and _____ (hereinafter referred to as the
(Name of bank or trust company)

Trustee). Witnesseth that:[1]

[Whereas the Trustor is holding assets for the Beneficiary and has determined the Beneficiary to be in need of assistance in conducting _____ affairs; and]

[Whereas the Trustor is holding assets for the Beneficiary who has been adjudicated to be non compos mentis; and]

[Whereas the Trustor is holding assets for the Beneficiary who is a minor; and]

Whereas the Trustor desires to establish a trust of such assets with the Trustee for the benefit and protection of the Beneficiary, pursuant to the authority vested in him under the aforesaid Act of August 13, 1954, as amended

Now, therefore, the Trustor has transferred and delivered to the Trustee, without consideration moviug from the Trustee, the aforesaid assets as more particularly described in Schedule A attached hereto and made a part hereof, which said assets and other assets which may from time to time be made subject to this trust, as hereinafter provided, shall constitute the trust estate and be held by the Trustee on the trusts and powers hercin declared:

ARTICLE I

The Trustor hereby declares that it is his purpose in establishiug this trust, and trusts on similar terms for other Beneficiaries, to give effect to the objective of the Government of the United States to terminate the governmental supervision of the members of the Klamath Tribe of Indians in a manner which will provide, for those members of the Tribe needing and able to take advantage of it, every opportunity for assistance in becoming self-reliant individuals, and which will protect them against the improvident dissipation or loss of their assets. In furtherance of that purpose, the Trustor sets forth the following statement of principles for the guidance of the Trustee in determining the proper exercise of is discretionary powers and fulfilling its responsibilities hereunder:

(A) The Beneficiary, if of an age and mental capacity to do so, shall be encouraged and given reasonable financial assistance to obtain a satisfactory education, including training in a trade or profession where deemed appropriate.

(B) The occupation of the Beneficiary in some form of permanent gainful employment is hoped for if the Beneficiary is au adult and competent. The use of trust assets to acquire real property for ranch or farm use by the Beneficiary or to assist thc Beneficiary in engaging iu some other form of business activity is therefore to be given careful and sympathetic consideratiou by the Trustee, if requested.

(C) The obligation of an adult Beneficiary for the care of those members of his family for whom he is legally responsible, and the assets available for such use from other sources, shall be given due weight in the fixing of distributions to be made to or on behalf of the Beneficiary it being intended that such obligation shall be respectcd to the extent they are properly to be borne by the Beneficiary.

(D) A Beneficiary who has attained legal majority shall be given all reasonable opportunity to demonstrate his fitness and ability to manage his own financial affairs in a prudent and businesslike manner. In exercising its discretion with respect to distributions to the Beneficiary, the Trustee shall give full and carcful consideration to the judicious distribution of lump-sum amounts at such time or times and in such manner as the Trustee may feel will enable the Beneficiary to gain experience in the handling of funds and to assist in determining his competence in that respect.

(E) At all times it shall be the objective to terminate the trust and place the Beneficiary in full and complete control of the trust assets as soon as his ca-

[1] The applicable paragraph in brackets is to be used when the Beneficiary is in need of assistance in conducting his or her affairs, is non compos mentis, or is a minor. The other two paragraphs in brackets are to be deleted.

pacity to manage his own financial affairs in a prudent and businesslike manner is established.

The Trustee does hereby accept the foregoing statement and agrees to give full and careful consideratiou to the principles therein set forth in the administration and distributiou of this trust and in determining the proper exercise of its discretionary authority hereunder.

ARTICLE II

The Trustee shall stand possessed of the trust estate and the income therefrom for the following purposes:

(A) The Trustee shall pay to or apply on behalf of the Beneficiary, at convenient intervals, such amounts of income and/or principal as the Trustee iu its sole discretion may deem advisable for the maintenance, care, welfare, support, and education of the Beneficiary and for those members of his family for whose care he is legally responsible.

(B) The Trustee, in its sole discretiou, shall disburse such amounts of income and/or principal as it may deem advisable to assist the Beneficiary to engage in a business, or farming or ranching operatiou, or to give to the Beneficiary additional experiences in the management and handling of monies and properties.

(C) The Trustee may terminate this trust, to the extent of any part thereof, at any time it shall, in its sole discretion, find the Beneficiary competent, capable, and willing to manage the properties so effected by the termination, by distributing such properties to the Beneficiary as his sole and separate property free and clear of the trust provisions contained herein. In the event the Trustee, in the exercise of the discretion granted under this subparagraph (C), shall distribute to the Beneficiary the trust properties to the extent of the whole of the trust estate, this trust shall terminate and the Trustee shall be discharged of its duties and responsibilities created hereunder.

(D) The Trustee in determining the payments and/or distribution shall take into consideration the objectives of this trust. as set forth in article I hereto, the capabilities of the Beneficiary to manage his own affairs, the value and nature of the assets subject to this trust, the family status and responsibilities of the Beneficiary, the status of the Beneficiary as to his being employed or employable, his income from other sources. and all other facts having, in the opinion of the Trustee, a bearing upon the abilities of the Beneficiary in the proper maintenance and preservation and use of the trust assets. In exercising its discretion with respect to the distribution of properties or payments of income and/or principal permitted under this trust agreement. The Trustee's decision shall be final unless it is determined by a court of competent jurisdiction to be arbitrary and an abuse of discretion in the light of the principles stated in article I.

(E) In the event of the death of the Beneficiary while any trust assets remain under the custody and control of the Trustee, the trust estate shall terminate and all the remaining trust properties, after the payment of all outstanding charges and expenses shall be conveyed, transferred, delivered, and paid over to the personal representative of the Beneficiary's estate in the State of _____ for the benefit of those legally entitled thereto, and the Trustee shall be discharged of its duties and responsibilities created hereunder.

(F) In the event the designation by the Secretary of the Interior of the Beneficiary as a person in need of assistance in conducting his affairs is set aside by a naturalization court in accordance with the provisions of section 15 of the Act of August 13, 1954, as amended, the trust estate shall terminate and the entire trust property shall be conveyed, transferred, delivered, and paid over to the Beneficiary, and the Trustee shall be discharged of its duties and responsibilities created hereunder. The Trustee shall be notified by the Trustor of any action to set aside the Secretary's determination and after receipt of such notice and until the action is disposed of the duties of the Trustee shall be limited to those actions which it deems necessary for the protection and safeguarding of the trust assets and the disbursement of funds to or on behalf of the Beneficiary as contemplated in paragraph (A) of Article II hereof. The Trustee shall he entitled to reasonable compensation for services rendered by it during such period and shall not be liable to the Beneficiary for its actions taken in good faith prior to the termination of the trust.

ARTICLE III

Such titles and interests as it has now received or may hereafter acquire in said trust property, and such other property as may hereafter be added hereto and accepted by it, shall be vested exclusively in the Trustee and be held by it upon the trust and powers herein set forth.

ARTICLE IV

The Trustee shall have power, in its sole discretion, to receive and accept other properties, real or personal, including life insurance policies, granted, conveyed, assigned, or made payable to it by the Trustor, by the Beneficiary, or by any other person or persons, which upon acceptance by the Trustee shall be added to and become a part of the trust estate and shall be subject to the trusts and powers herein declared concerning the same.

ARTICLE V

If the Trustee designated herein shall merge with or be succeeded by another corporation, the new corporation shall become the Trustee hereunder if such new corporation shall have trust powers; and this agreement shall be construed and take effect and be executed in the same or like manner as if the name of such new corporation were substituted for that of _____ throughout.
(Name of bank or trust company)

ARTICLE VI

The Trustee shall hold and manage the trust estate, and in addition to all powers conferred by law shall have the right and power:

(A) To pay all taxes, charges, commissions and other expenses of the trust estate, including the compensation for its own services in accordance with the schedule of fees in use by the Trustee at the time such fees become payable, provided they do not exceed the fees allowed by the _____ courts for comparable fiduciary services, and reimbursement for all outlays and advances.

(B) To invest any property forming part of the trust estate in such securities, including common or preferred stocks of any corporation, any common trust fund administered by the Trustee, other personal property or real property, either residential, agricultural, or business, as it in its discretion may deem advisable and in the best interest of the trust estate without being restricted to statutory investments, and with like discretion to make reinvestments and changes of investment from time to time and to collect the income therefrom, with full power to the Trustee, as occasion may require, to sell, exchange, transfer, assign, grant options to buy, lease, including leases extending beyond the term of the trust, encumber, or otherwise alienate all or any part of the trust estate in such manner and upon such terms as the Trustee may deem most beneficial to the trust estate.

(C) To retain any property deposited to the trust estate for such period as the Trustee may deem most expedient and most beneficial to the Beneficiary.

(D) To borrow money and to loan or advance its own funds to this trust for any trust purpose at prevailing rates of interest, and to mortgage and hypothecate the property and securities of the trust estate in whole or in part as security for the repayment of such loans or advances.

(E) To make such expenditures for the repairing, improving, and rebuilding of any property of the trust estate as it may deem necessary.

(F) To hold securities and other property in the name of the Trustee or in the name of its nominee, but the Trustee shall be responsible for the acts of each nominee affecting such property.

(G) To vote in any manner be it deemed proper any stock or other securities held hereunder, either directly or by proxy.

(H) To determine in all cases what receipts are income and what are principal and what disbursements are chargeable to income and what to principal.

(I) To distribute principal hereunder in money, securities, or other property at the market value at the date of distribution as nearly as can be determined by the Trustee.

(J) To do all acts, except as herein otherwise specified, in its judgment needful or desirable for the proper and advantageous management of the trust estate, to the same extent and with the same effect as might legally be done by an individual in absolute ownership and control of the said property.

(K) To defend this trust agreement and the property subject thereto through such litigation as the Trustee may in its sole discretion deem necessary and to charge the trust estate with fees, commissions, and expenses incurred in such defense.

(L) To resign its Trusteeship hereunder at any time, in which event said Trustee shall take such steps as may be necessary to secure the appointment of a Successor Trustee by a court of competent jurisdiction.

ARTICLE VII

Neither the principal nor the income of the trust estate shall be liable for the debts of the Beneficiary, nor shall the same be subject to seizure by any creditor under any lien or proceeding at law or in equity and the Beneficiary shall have no power to sell, assign, transfer, encumber, or in any other manner to anticipate or dispose of ------ interest in the trust estate or the income produced thereby.

In witness whereof the parties hereto have executed this Agreement this ------ day of ---------- 1958.

SECRETARY OF THE INTERIOR,

By ----------

Area Director, Portland Area Office, Bureau of Indian Affairs, Department of the Interior.

(Name of bank or trust company)

By ----------

Trust Officer.

Senator WATKINS. Do you believe there are enough trustees up in that area that would take on this job to take care of all those who might desire it?

Mr. CHILSON. Yes, we think so. All of the trust companies in the State of Oregon, as I understand it, who are authorized by law to handle trusts, agreed to participate in this program, have they not?

Mr. LEE. Four large trust companies have agreed. I think there are 1 or 2 small trust companies that have not been in on it. By and large the major trust companies in Oregon have agreed to take on the job. They have completed their negotiations with the Bureau.

There seems to be no question about their being willing.

Also, there is a problem out of the State. We have a substantial number of Indians scattered throughout the country and we have discussed with trust companies in those States the possibility of taking on trusts for individual Indians. A number of those trust companies have indicated a willingness to take on the job also.

Senator WATKINS. As I understand it, most of the trust property would be in cash?

Mr. LEE. Yes, and no. For most of them it would be in cash, but we have a substantial number of Indians that have allotments that are very valuable. Some of them run up as his as $100,000 or more.

Senator WATKINS. That they presently own?

Mr. LEE. That they own individually outside of their interest in the tribal estate. Those would be included in the individual trusts if they happened to be one of the persons designated as in need of assistance.

It is some of those people that have these trust allotments that have already negotiated trust documents voluntarily.

Senator WATKINS. Wherever the trust property is real estate or something of that nature, I assume that the beneficiary would be permitted to be in possession of it.

Mr. LEE. That is correct.

Senator WATKINS. If he wished to be in possession.

Mr. LEE. If he wished to be.

Senator WATKINS. It would be largely up to him or her to determine.

Mr. CHILSON. That is correct.

Senator WATKINS. I do not think I have any more questions at the moment.

Senator NEUBERGER. Thank you, Senator Watkins.

Mr. Secretary, before I ask several questions about your testimony and allow the staff of the committee to do so, there is one matter that I believe is quite important and should be a part of the record of this hearing.

I think that the Department should state, or set forth for the record, why it has not appointed two management specialists to replace those who have resigned. You will recall that when the act originally passed terminating the supervision of the Government over the Klamath Tribe in 1954, Secretary of the Interior McKay, then head of the Department, appointed three management specialists.

In the spring of 1956 one of the management specialists resigned and was under some compulsion from the floor of Congress to do so because he had agreed and entered the management of McKay's candidacy for the United States Senate.

To my knowledge, that vacancy has never been filled, although it has existed for nearly 2 years, if I am not mistaken.

Then in December of 1957—I regret to announce this—Mr. Eugene Favell, of Lakeview, resigned upon the recommendation of his doctors because, unfortunately, he had experienced a heart attack.

So today you have only one management specialist remaining, Mr. Thomas P. Watters, a very fine citizen of Klamath County. I wonder why the Interior Department has not appointed replacements, certainly for Mr. Phillips, dating nearly 2 years ago, and now for Mr. Favell dated nearly 2 months ago.

What is the policy with reference to that?

Mr. CHILSON. Referring to the time when I first came to the Department and first got into this Klamath matter, it seemed as if Mr. Favell and Mr. Watters were doing the job and that there did not appear to be a real necessity for a third one.

Now, since Mr. Favell's resignation we have under consideration the appointment of another one, although we have a good deal of confidence in Mr. Watters——

Senator NEUBERGER. So do I.

Mr. CHILSON. And he seems to be proceeding very well.

Nevertheless, at his age we are giving serious consideration to the appointment of another person.

Senator NEUBERGER. And you do expect to make an appointment in the relatively near future?

Mr. CHILSON. I would not want to make a flat commitment, but we are seriously considering it, to the point of talking about persons.

Senator NEUBERGER. The reason I make this point is that at the time of the termination act Mr. McKay seemed to believe there was a need for three management specialists. Today you have one remaining. While Mr. Watters is a dedicated person, I doubt that it is fair to have it completely on his shoulders. I felt the record should

show whether you have any intention of appointing replacements for the two vacancies.

Mr. CHILSON. At least at the present time our present thinking is that two men, unless they get into conflicts and would have to have a third one as a deciding factor, can carry on, particularly in view of the uncertainty as to the ultimate outcome of this proposed legislation.

Because, should the chairman's bill be passed, the balance of the procedure is relatively simple. In the event our bill is adopted it again will simplify procedures considerably.

Senator NEUBERGER. The thing we have to remember is that as of now the law of the land is the original termination act of 1954 and we have to presume that that will continue to be unless something else intervenes.

Mr. CHILSON. That is correct; and we understand that, Mr. Chairman.

Senator NEUBERGER. Mr. Secretary, on page 4 of your testimony it seemed to me under point 2 you have come very validly to the heart of the difference between S. 3051 recommended by the Department, and S. 2047, which I introduced last year.

Now, I believe the record should indicate why to some degree you and the Department have changed your mind on this matter.

On January 7, 1957, the Department sent to the Senate over your signature, if I am not mistaken, a letter recommending passage of a bill to delay the termination proceedings.

In the letter which you sent at that time this paragraph appears, and I will quote it in full because it is very brief:

> When the bill—

and that refers to the original termination bill:

> When the bill was under consideration by the Congress, it was well understood that the only practical way to assure continued management of the forest on sustained yield principles in the interest of the general public as distinguished from the interest of the Indian as private citizens was some form of public acquisition if the Indians concluded that it was to their best interest to liquidate all or a part of the forest.

Now, I wonder why you change your minds to the degree that S. 3051 differs from that?

Mr. CHILSON. Let me answer it as best I can. I came to the Department about the middle of November of 1956. Shortly after that was my first contact with the Klamath matter. In discussing what could be done to solve this problem, of course, the first thing that comes to your mind is the matter of Federal acquisition, making it a national forest and having it managed the same as a national forest.

As we discussed the matter further and tried to determine alternatives and realizing that there was considerable opposition to further acquisition of land in the West by the Federal Government, we had some indications that private industry might purchase this forest or a portion, substantial portion, thereof under requirement of sustained yield management and still pay the same price that the Indians might be expected to get if it were sold under the present act.

That is the best I can answer your question.

Senator NEUBERGER. In other words, you changed your mind from this statement that I read of January 1957 because you had had some indications that private industry might buy this forest at the price set in the appraisal?

Now, let me ask: Did those indications come from the lumber industry as a whole or various segments of the lumber industry? Where were those indications received from?

Mr. CHILSON. They were quite nebulous, Mr. Chairman, and I cannot name any particular names, of persons or industries, who came out flatfooted and said that they would be interested.

I had some telephone conversations with a member of a law firm in New York City, I have forgotten the man's name, who told me over the telephone that he had a group who were interested in buying under those conditions.

Senator NEUBERGER. By those conditions, you mean?

Mr. CHILSON. Sustained yield management and to pay the appraised price. He set up two appointments with me, neither one of which he kept. He phoned each time saying he was unable to come, and then he called me later and said his group was not interested.

In talking with some foresters and some lumber representatives, also in discussing the previous experiences with timber sales in general, where we had some surprising bids on timber, much higher than anybody had estimated we would get. Putting all this together, we thought that it justified at least the offering of the timber to the industry under these terms.

I tried frankly to admit, Mr. Chairman, that there is quite a question whether industry will buy any substantial portion, or any of this timber under these conditions. We do not know.

The thing that does strike me, however, is this: Somewhere along the way the industry has done exactly this: They have acquired timberlands. I assume they had to pay what was then the market price. They have managed them under sustained-yield management principles.

I might say this, too—and this is purely a private opinion. Looking back over what has happened to the value of timber over the past many years, there has been a great increase in the value. With the increasing population and with the amount of timber remaining pretty well static, you might say, I cannot conceive but that at some time in the future and maybe not too far distant future, the value of these timberlands is going to be much more than it is today.

That is one reason that I had no particular difficulty, Mr. Chairman, in the financial end of this thing.

If the Federal Government is the one that acquires these lands and pays the price, I am satisfied that in the long run the Federal Government is going to have a good deal.

Senator NEUBERGER. I could not agree with you more. I think you have made a strong case for Federal acquisition in that respect, because I agree with you completely that the value of this timber is going to go up. I believe and fear that the inflation will continue, no matter who is in office in the United States because the United States is going to spend vast sums of money for armament.

I agree with you on that. That is the reason I am surprised that your position has changed because the indications you mentioned, you must admit, are rather significant and rather insubstantial with respect to a definite assertion that private industry will buy this timber.

I want to ask you a further question, because I wonder if this has occurred to you.

Do you have any fear that should this timber be put up for private sale under the terms of S. 3051, very large timber operators might buy a few of the very best units?

This would mean that the heart would be plucked out of the forest. They would take the units with the finest stand as to the quantity of timber, the terrain of the timber, the accessibility to the highways, railroads, and so on, but that they would just take the pollen out of the flower and leave all of the petals for the Government. Thereupon, the Government might have to put up nearly as much money as the $122 million, but would have a far less feasible national forest to make because the cream had been skimmed off.

Now, do you think there is any danger under this proposal of yours that that might happen?

Mr. CHILSON. First let me say, as I have said before, that I personally have no background of knowledge of timber, but I understand that by the blocking out of these units that will be offered for sustained-yield management——

Senator NEUBERGER. Ninety-five?

Mr. CHILSON. No; 11, I think.

Senator NEUBERGER. That is, what do you mean under the Termination Act?

Mr. CHILSON. That is under the present Termination Act when we are selling it in units to get the best price.

Senator WATKINS. You mean by that only 11 units would be offered for sale to private people?

Mr. CHILSON. That is correct, and these 11 units are large ones and they were blocked out in cooperation with the Forest Service, to get a unit that could be economically operated and practically operated under sustained-yield management principles.

Senator NEUBERGER. And no one could buy less than one of these units; is that correct?

Mr. CHILSON. That is correct.

Senator WATKINS. They are to be offered to the highest bidder?

Mr. CHILSON. And we offer to the highest bidder subject to the sustained-yield management restrictions.

Now, as I understand it, Mr. Chairman, the value of these units has taken into consideration the things that you speak of.

In other words, the desirability, the value of the timber, and so on. So that some of these units, sustained-yield management units, have a value of in the neighborhood of four or five million dollars, and some of these units go as high as approximately $15 million.

So that if they do get the better timber they pay for it.

Now, that is as best I can explain it.

Senator NEUBERGER. Inasmuch as we have opened up this question, will this result in a checkerboard pattern on the reservation with respect to these various units? Are they approximately the same in size although there may be a difference in quality and terrain?

Mr. CHILSON. Mr. Chairman, may I suggest that we use a map here and in explanation of this map it shows the Klamath Reservation. It shows the allotted lands. It shows what we have classified as the marshland, what has been determined is timber that would be suitable to be put into the national forest, and what is not suitable.

Senator NEUBERGER. I would like to ask Mr. Gamble if it is going to be possible, before we proceed with a discussion of this, to have this

appear in the hearing record with cross-hatching or shadings and so on?

Mr. GAMBLE. Mr. Chairman, in view of the number of colors that are used here, I don't know whether we can have that reproduced or not.

Senator NEUBERGER. I know it cannot be in color, but I wondered if the cross-hatching and shadings and so on, so that the testimony of the Secretary and his staff will have some validity as it pertains to this map.

Mr. GAMBLE. I will ask the Government Printing Office about it.

(The map referred to proved to be unsuitable for reproduction and is on file with the committee for reference purposes.)

Mr. CHILSON. Mr. Chairman and members of the committee, the lands that are in red are the nontribal lands. That is the allotted lands and I guess there are some fee-patented lands.

The lands in green are the forest lands that the Interior Department and the Forest Service have determined to be of such value that we should preserve these conservation features.

In other words, those are the forest lands that would go into the national forest under our bill if they were not purchased by private enterprise.

Senator NEUBERGER. And will be offered for sale first under your bill?

Mr. CHILSON. That is right.

Now, the blue here is the Klamath Marsh. The yellow lands are the tribal lands that are not included in either the marsh or what we have designated as forest lands.

Senator NEUBERGER. For what reason, Mr. Secretary?

Mr. CHILSON. For the reason that they are either principally grazing lands or the forest on them is of such character that we come to the conclusion they can be sold without sustained-yield management restrictions and cause any real harm.

Now, from here on, we will have to go on an assumption. We will assume that 70 percent of the Indians withdraw. On this overlay, we have shown units 33, 30, and 50—I don't know whether you can see those numbers, or not, it is this area in here plus this area—as the lands to be kept by the tribe. We have done that after consultation with the Management Specialists. Tentatively we have assumed that the tribe would keep this as their 30 percent.

Now, on that assumption, and that is the only way we can go, of course, the Forest Service and this Department have blocked out in sustained-yield management units these lettered units.

J would be one unit. K would be another unit. I would be a unit. F would be a unit; E, C, D, A, B, G, and H, and so on down.

Senator NEUBERGER. These would be the 11 units referred to in your testimony?

Mr. CHILSON. Yes.

Senator WATKINS. You mentioned 30 percent.

Mr. CHILSON. We are making an assumption that 70 percent of the Indians may want to withdraw. I don't know whether that is realistic, but we have to make some assumption for purposes of illustration and that is what this map is.

This is on the basis of 75–25 instead of 70–30.

But for illustration purposes I think it pretty well designates it.

Now, these units, of course, have varying values because of the quality of timber, I assume, and other factors that I am not familiar with.

So on this assumption, the lettered units would be offered for sale at competitive bid, with sustained yield management restrictions.

Senator WATKINS. By the way, I assume that those units, if they are bought by private people, would be taxable under the State laws, counties, cities, and whatnot?

Mr. CHILSON. Yes, sir; after it was acquired by private purchasers.

Senator WATKINS. How about the trust property?

Mr. CHILSON. The trust property is taxable after termination.

Senator WATKINS. In fact, that retained by the tribe under communal ownership and all of that in trust to private individuals, I mean private trusteeships, would all be taxable?

Mr. CHILSON. Yes.

Senator WATKINS. In fact, all of the property would be taxable.

Mr. CHILSON. All of the Indian property would be taxable except that part that is acquired by some public agents, that is, if it were acquired by the Federal Government under this bill, or by the State of Oregon, or otherwise.

Only the land that is in public ownership would not be taxed.

Now, the procedure, of course, would be to offer these parcels separately for sale, get the bid, and if the bid equalled the realization value it would be sold to private industries.

Now, again, let me say this is illustrative. The actual blocking out will have to wait until we know the percentage, what part the tribe elects to withdraw and then the Forest Service and the Department of the Interior will make their blocks.

Senator NEUBERGER. One of the reasons I asked you about the checkerboard pattern is this:

One of the things I am somewhat alarmed about is a repetition of what we had in southwestern Oregon in the so-called O. and C. land. The O. and C. land in southwestern Oregon that reverted under the terms of a repudiated land grant has resulted in this. We have a checkerboard in there of some BLM lands, Forest Service lands, and private lands; administration is extremely difficult.

The recreation program is virtually nonexistent. Fire control results in a constant amount of litigation.

Today I am sponsoring a private bill to try to reimburse the fire protective association in southwestern Oregon for funds that they claim they spent fighting fire on BLM land because of this cumbersome unwieldy checkerboard.

I am somewhat worried that under S. 3051 this could happen. We would have the 25 percent that the Indians would select to retain for their communal cooperative arrangement if 25 percent decided not to withdraw from the trible.

Then you have private industry coming in and picking over the apples in the box and deciding what sections they will take.

Then what they decide not to buy, be it many or few and neither you nor I can anticipate that, that will become a national forest.

But you will have this kitchen floor kind of pattern. Will that not be very difficult of administration for the Forest Service and private

owners and will we not have a repetition of this O. and C. situation in southwestern Oregon?

Mr. CHILSON. In the bill we have reserved, as I understand it, the rights-of-way for the road. To the extent that it would be complicated additionally, of course, we already have complications with the allotted land and the private lands.

Actually, how much difficulty might arise because of private industry buying one or more sustained yield management units, I do not know. I think probably there are other people better qualified to answer that.

Senator NEUBERGER. What arrangements have been made for fire protection if and when the termination runs? What will happen on that?

Today the Indian Affairs Bureau is responsible for fire protection on those lands; is that correct?

Mr. CHILSON. I think that is right.

Senator NEUBERGER. What will happen when the termination runs? Who will take over the fire protection which as I understand is quite a responsibility?

Mr. SHANKLIN. Discussions have already been held with the State of Oregon; under the present law this would all become private land. Hence the State of Oregon laws would prevail.

Discussions have been held already with the fire protective associations operating in these counties, which would lead toward an orderly takeover.

Now, under the amendments proposed by these two bills, if it is federally purchased it would just move from the Indian Service to the Forest Service.

Senator NEUBERGER. If S. 3051 should be passed in some form or another, what would happen then to fire protection under those laws?

Mr. SHANKLIN. There have been consultations with the State of Oregon for the orderly transfer of the fire protection responsibility from the Federal Government to the State.

Senator NEUBERGER. The State has funds to move in on this.

Mr. SHANKLIN. I understand they are a little bit troubled at the moment with respect to equipment which has not been completely worked out as yet.

Senator NEUBERGER. Of course, you are going to see to it, that is if and when the transfer occurs, because you could have a disaster otherwise if there is no fire protection on $118 million worth of timber.

Mr. SHANKLIN. That is right.

Mr. COBURN. Mr. Secretary, I think in response to Senator Watkins' question you said that the land that remains in so-called communal ownership will be subject to taxation and in a trusteeship; is that correct?

Mr. CHILSON. That is correct.

Mr. COBURN. What are the incentives offered to these people who want to stay in the tribe in terms of costs or conversely in terms of profits to them?

Mr. CHILSON. What they will have will be the income per capita, off the investment, whatever it should be. They will have the benefit of retaining their property in, you might say, tribal ownership which seems to be of considerable value to quite a number of the Indians.

Other than that I cannot think offhand of any particular advantages other than the fact that under the management plan they will have the advantage of the management by the private trustee, at least in the beginning.

Mr. COBURN. In other words, they are going to have the same cost that the others have; they are going to have to pay for their trusteeship; they are going to have to pay taxes, and I assume that some consideration has been given either by them or by the Department, or both, as to how they come out on this.

I do not see that there are any incentives for them to stay in.

Senator NEUBERGER. That is one of the things that bothered me. Senator Watkins raised the point of validity of the Stanford Research survey. When you raise a point of the valuation of the timber and other assets, I find it hard to fathom why a tribal member free to make a decision would elect to stay in with this large per capita sum.

Mr. CHILSON. It may well be. However, let me tell you what I think I might do as a member of the tribe. If I thought that I could make, with my money, considerable profit, or if for some other reason I wanted my money, I would withdraw. If I wanted to preserve my investment in timber and feeling as I do that timber is going to become of tremendous value, as all natural resources over a period of years, and I wanted to preserve that for my children and grandchildren, I might well, if I thought that I would have a reasonable amount of income, just leave it in there for the appreciation of the investment.

That is simply my own opinion. Maybe some people do not agree with me.

Now, that is as best I can answer it. However, the election procedure should give the Indian, I think, a pretty good picture of what he might expect if he stays in and what he might expect if he gets out.

Senator NEUBERGER. One of the things that is disturbing us, is, we know if these preliminary indicators by Stanford Research can be believed, that 70 percent want to withdraw already. So that 70 percent does not agree with the analysis you have made for staying in. That group, in itself, may have some influence on the other group, but I think when you have by these indications an over 2-to-1 division favoring withdrawal I do not think that factor can be dismissed as not having some influence in the situation.

Another point that I want to ask is this:

You said in your earlier testimony you had some indications that private industry might buy some of the timber. This means that you have had some contact with various segments of the timber industry.

Under S. 3051, as you have outlined it, 2 highly controversial policies are involved, particularly as it bears on the 2 major disagreeing segments of the timber industry in the Pacific Northwest.

Under 1 facet of the bill you propose these 11 large sales. As you know, and realize, there has been great controversy in the Northwest over large Government sales of timber. I think you realize that, and some of the small- and medium-size mills have protested that.

My first question is: Have you had any protests indicated to you from these mills that this would be establishing a dangerous prece-

dent to sell this timber in such large blocks that, at least in my opinion only the very large and well-financed and heavily capitalized segments of the lumber industry could even contemplate purchasing them?

Mr. CHILSON. If such protests have been received in the Department, I am not familiar with them. I have not received any personally and have no knowledge of any.

To further that, let me ask: Has the Department as far as you know received any protests?

Mr. SIGLER. No.

Senator NEUBERGER. You have had no protests from the smaller lumber operators?

The second question involves the traditional viewpoint of the large operators and that is this:

Always in the past, unless I am mistaken, they have been very much opposed to attaching any sustained-yield covenant to timber sold into private ownership. Have they protested at all that this might be a precedent which would violate their traditional concepts?

Mr. CHILSON. Mr. Chairman, I cannot recall any specific correspondence. However, I have read articles in various trade magazines in which the views that this is a dangerous precedent and so on have been set forth.

I am also familiar with the testimony of Mr. Weyerhaeuser or somebody on behalf of his company.

Senator NEUBERGER. George Weyerhaeuser?

Mr. CHILSON. Yes. I got the impression from reading that that at least that company was willing to accept sustained-yield management covenants.

Now, if we have had any specific correspondence, I don't recall it.

Senator NEUBERGER. What is the length of time that the sustained-yield covenant would run on the timber on these lands?

Mr. CHILSON. Seventy-five years.

Senator NEUBERGER. Like you, I am not an expert in the timber industry. I wish I were, sometimes, when I see the profits that have been made in the past in our region, but is that a long enough sustained-yield covenant to cover this slow-growing type of dryland pine timber?

Mr. CHILSON. Frankly, I don't know. Mr. Shanklin is a forester. You might ask his opinion about it.

Senator NEUBERGER. What about that, Mr. Shanklin?

Mr. SHANKLIN. No; not to grow it from scratch.

Senator NEUBERGER. Is it long enough to support continual rotation?

Mr. SHANKLIN. A 75-year period was arrived at, not on the basis of how long it takes to grow ponderosa pine in Klamath County; it was based on the theory that in 75 years the timber on these lands would have been regulated to the extent that a company which had put its money into that sort of operation would have had a going, so-called going, sustained-yield operation by that time would be perfectly willing to continue same.

We also had the feeling that we should provide some limit as to when the covenant would be lifted, so that it would not seem to run in perpetuity, which the legal people have told us would not be too acceptable.

So, our feeling is that we would have accomplished within 75 years a regulated cut on all these lands under a covenant.

Senator NEUBERGER. Mr. Wolf, you are a forester. Does this length of covenant seem sufficiently long to you to protect rotation?

Mr. WOLF. I think the question is a little different than protecting the rotation. May I ask a question of Mr. Shanklin?

Senator NEUBERGER. Surely.

Mr. WOLF. If you had sustained-yield operation on these lands for, let us say, 75 years and, at the end of that period you suddenly discovered that the company that had bought a portion of the reservation was liquidating its own private timber and you saw that this reservation or covenant would be lifted and they would continue right on across the portion of the Klamath they bought and liquidated, where would you be?

Mr. SHANKLIN. I think you could say the same thing with respect to any number of years, or course; put it 100 years, 140 years, and the same thing would come up.

Mr. WOLF. The question really is what sort of covenant should you have and not the period. Are you going to lift it when you know somebody is not practicing sustained yield on their own land?

Senator NEUBERGER. How long does it take to grow ponderosa pine timber at that elevation with the kind of precipitation you have?

Mr. SHANKLIN. The figure is around 120 years.

Mr. CHILSON. Mr. Chairman, may I say this, without any knowledge of timber as such, I think you come down to this situation: We either use a restriction in perpetuity or we put some limit on it. If you put some limit on it, eventually, you are faced with a situation. Just as a practicing lawyer I have always felt that restrictions of any kind in perpetuity are not advisable because I have had too many experiences with people trying to foresee the future, and some very bad situations can arise if you do something in perpetuity. It is just my philosophy that I am not a believer in perpetual restrictions on any kind of property.

Senator NEUBERGER. Mr. Secretary, let me ask you this on these covenants: Now, the XYZ company buys a block of this timber; who will police the covenant?

Mr. CHILSON. The Forest Service.

Senator NEUBERGER. If the Forest Service sees that they are not practicing sustained yield, then would they go into court and revoke the purchase?

Mr. CHILSON. I think we have alternative remedies. Either injunctive proceedings or action for forfeiture and reversion of title to the United States.

Senator NEUBERGER. Once a company had bought these lands, it would go on the tax rolls of Klamath County?

Mr. CHILSON. Yes.

Senator NEUBERGER. If there were reversions, of course, it would go off the tax rolls; is that correct?

Mr. CHILSON. Yes.

Senator NEUBERGER. Do you see any complications regarding this matter of land taxation, Mr. Gamble?

Mr. GAMBLE. One situation has entered my mind, Mr. Chairman, and that is if a company purchases a part of the reservation and failed to meet its tax obligations and a lien was placed against the land, and, carrying it a step further, if there were a reverter, a reversion because of the failure to maintain sustained yield, who would pay the taxes? The Federal Government?

Mr. CHILSON. Frankly, I don't know, and it is a legal question. I will make a guess, Mr. Gamble, for whatever it is worth. I would assume that, this being a covenant of the United States, a tax sale would not cut off the rights of the Federal Government, so that whoever acquired the property at the tax sale would still have the property with the restriction on it. Now, that is what lawyers call a curbstone opinion, and it is probably wrong, but that would seem to me to be logical.

Senator WATKINS. I would agree with you, and I am a lawyer, and that is another curbstone opinion.

Mr. WOLF. Under the O. & C. Act, when the O. & C. lands were revested in 1916 the Government took back the lands from the railroads and agreed to pay the county's back taxes and to pay the railroad a certain amount to settle its affairs.

It was entitled, I think, to $2.50 an acre, which is what it had agreed to sell the land for. It took 30 or 40 years, because of the situation at that time, to straighten that thing out.

Senator WATKINS. That was a matter of policy on the part of the Government. They did not insist on their strict legal rights, did they?

Mr. CHILSON. Perhaps they didn't.

Senator WATKINS. As a matter of policy, you can do most anything. You can change it, give it away, or whatever you want to do with it.

Senator NEUBERGER. Mr. Secretary, did the Department consult with the Management Specialists before drawing up and submitting S. 3051?

Mr. CHILSON. I don't recall that we had any particular conference with the Management Specialists on the point of the legislation. I know I have had 2, at least 2, conferences with the Management Specialists generally on the overall situation and the possible alternatives to correct the situation. I do not recall that we consulted with them on the specific provisions of the bill.

Senator NEUBERGER. As I recall, in October in Oregon, the Management Specialists endorsed S. 2047, and since these men are the agents of the Government in handling this liquidation and termination called for under this law, I would have thought that the Department should have consulted with them when this was submitted.

Mr STEVENS. I stopped in Klamath and saw Mr. Watters and Mr. Favell. I don't know whether Mr. Wilcox was in that meeting, or not. We did not tell them this was the decision, but I did discuss with them the general approach of an alternative to Federal purchase.

Now, I would not call it consultation, but I am sure that they were thinking of all other forms of approaches, that is alternatives to Federal purchase.

Senator NEUBERGER. But they did not see the bill or the report prior to its submission to the Congress?

Mr. STEVENS. No. We attempted to get hold of Mr. Watters, as I recall, just before we did submit the bill to the Congress and Mr. Watters was on his way back here for a meeting over that weekend.

We attempted to discuss it with him to inform him that this was going to be the Department's position, but he was on his way to Washington. We sent copies to the area office for delivery to him and found out that he was on his way back here.

Senator NEUBERGER. But the two remaining Management Specialists were not consulted as to the details of this legislation?

Mr. STEVENS. No, not to my knowledge.

Senator NEUBERGER. I think that is an important point and I believe it should be on the record.

As I told you, I am open minded about this and I think we all have a very difficult problem as the Secretary said in the beginning of his testimony, but I do believe that the two men appointed by the Department to handle this should have been consulted prior to the Department's position in submitting legislation.

I was disturbed when I learned that they had not been consulted.

Mr. STEVENS. Mr. Secretary, may I make one more comment?

Senator, we were informed of the Management Specialists' position regarding Federal purchase. They have previously testified that this was their recommendation. I believe they said it was the solution. In view of the fact that our bill and your bill both led in the same direction, the only difference being the alternative attempt to get private purchasers, we did not believe there was a substantial deviation and we already knew their feelings on the matter.

I believe they sent in a statement to you reaffirming that position, and they have not deviated.

I think Mr. Wilcox would affirm that. They have had this position for some time.

Senator WATKINS. Could I ask a question at this point? As I understand the program, Mr. Chilson, no bids would be accepted that were lower than the realization value to the Indian tribe.

Mr. CHILSON. That is correct.

Senator WATKINS. So that if there is any competition at all, it would be in the Indians favor, they would probably get more money?

Mr. CHILSON. That is right, and they have this guarantee, that unless the bid equals the realization value that it will not be sold.

Mr. COBURN. Is the realization value the same as the value set by the appraisers?

Mr. CHILSON. The realization value is set by the appraisers. That is the value or the amount—let us use the word amount—that is the amount that the appraisers say the Indians can get from selling 70 percent of the forest lands within the limits of the present termination act.

Mr. COBURN. That would not be the appraised valuation, for example, for tract A?

Mr. CHILSON. Under our proposed bill?

Mr. COBURN. Under your proposed bill you say that—

> This realization value will be determined to be the fair market value if as much as 70 percent of the forest were offered for sale on a competitive market,

and so on.

I am asking whether or not that is the same as saying the value, the appraised value, of the appraisers under the act, as they have come up with these figures, they have said that the timber is worth so much, the disposable timber, and this is the value that we think is reflected here.

Now, that value is not the same as the value would be under this bill, is that not correct?

Mr. CHILSON. Maybe we are just on the matter of technology. The reason I hesitate to use the word appraised value is that the appraisers will come up with an appraised-value figure.

That is the value by which they make the division between the withdrawing members and the tribe.

The appraised value that is used for that purpose is not the same as realization value. It is a value to divide assets.

The realization value is what the appraisers say the withdrawing Indians can expect to get by selling their share if their share is 70 percent of the assets.

Now, on these sustained yield management units, when a unit is put up for sale there is a realization value.

If private industry does not meet that realization value on that unit the unit will then go to the Forest Service.

Now, have I answered your question in a roundabout way?

Mr. COBURN. I think so except that I still come back and you testified to this, that if these tracts were individually appraised by the Bureau of Indian Affairs and they came up with what we call an upsetting figure below which the Government would not accept a bid, the value of each one of these tracts would be somewhat higher than if you said the value is such and such provided 70 percent of the forest were offered for sale. It would be higher, would it not?

Mr. CHILSON. I do not quite get your point. You mean if you just sold one of these units and you did not sell anything else?

Mr. COBURN. The basis of the sale was the appraised valuation of, say, tract A, based on an appraisal made by the Bureau of Indian Affairs. That value to me would have to be higher than if they said the value of the tract A is such and such based on the premise that we are going to sell 70 percent of the rest.

Mr. CHILSON. Well, I think undoubtedly that is true. In other words, let me see if I get your idea correctly, and I think you and I agree.

Say a man has a thousand lots in one subdivision. If you sell one of those lots you expect to get a thousand dollars for it. If you sell 50 of them within a limited time you would have a less amount and if you sold them all at the same time you would have less.

Mr. COBURN. Precisely.

Mr. CHILSON. Yes; I think there is no question about it.

Senator WATKINS. Yet on the other hand, someone would probably be in a position to make more money out of it if he bought them all than one fellow could with one.

Mr. CHILSON. That would be possible.

Senator WATKINS. I know in different areas a lot by itself will not sell for very much because you do not have enough there for any kind of development. They will pay a lot more if they get a bigger acreage.

Mr. CHILSON. You see, we are up against the same situation, Senator, whether we proceed under the present termination act or whether we proceed with the sales under our proposed bill to private industry.

In other words, if it is a big sale you have to sell a lot of timber in a relatively short time.

Mr. COBURN. And you have to assume competition to get your price up above the realization value.

Mr. CHILSON. That is correct.

Mr. COBURN. There are no indications of competition so far, are there?

Mr. CHILSON. You say "so far." I don't have any assurance that there will be bids either with or without competition.

Senator NEUBERGER. We know this, that there are only a relatively small number of operators in the State of Oregon that could pay under conditions which we have observed heretofore the amount of money required for any 1 of these 11 blocks.

Is that not correct? My observation of the lumber industry is that there are comparatively few operators that could buy these.

Senator WATKINS. Yet it is valuable timber.

Senator NEUBERGER. It is outstanding. Is not some of this the finest ponderosa pine timber anywhere in the United States?

Mr. WOLF. It is better than average stand for the State of Oregon.

Senator NEUBERGER. It is the best ponderosa pine in the State of Oregon.

Mr. WOLF. I would say it is.

Senator WATKINS. May I make this suggestion: I have been in the forest. I spent 4 days holding hearings and then we spent quite a bit of time traveling over the area. I am not a timberman; I don't know very much about it, but at the same time I can see a possibility in this kind of situation if you do not open it for private bidding; you know what the price is, that is going to be fixed, that is the lower, that is the realization value, that is it.

But if you do open it for private competition there is a possibility they will get more.

I cannot see what harm will be done as far as the Indians are concerned, and as far as the public is concerned you have the limitation there that they must operate it on a sustained-yield basis.

So you get what the community wants and you do have in this bill that has been sponsored by the administration or the Interior Department, you do have the possibility of getting more money for the Indians. You cannot go below it and yet there is a possibility of going above it.

If you do not have this type of bill, there will be just one flat price.

Senator NEUBERGER. There is no question about that. If the Government bought it under S. 2047 I have never presumed that would be anything except the appraised price that has been fixed in the appraisal. That has been my presumption.

I stand to be corrected.

Senator WATKINS. In other words, the Government is not going to go out and bid against anybody else that might come in and want to buy the whole thing.

Senator NEUBERGER. I have had this concern, Senator Watkins, inasmuch as you raise some of the desirable features of S. 3051, and it does have desirable features. I am concerned just as one of the Senators from the State of Oregon, for having as many people as possible participate in the lumber industry, particularly people who live in the area and are not necessarily the great capitalized absentee companies. If S. 2047 went into effect this would become a national forest.

Then the Forest Service would sell the timber under its traditional conditions under which there would be small sales, small enough for small operators to bid upon them.

We know that if the type of sale contemplated in S. 3051 takes place that no small operators will ever be able to bid on it.

So there are those features.

Senator WATKINS. Of course, as a representative of the trustee in this case, guardian of the Indians, the No. 1 consideration is the welfare of the Indians. That is, I think that would be the guardian's duty.

Senator NEUBERGER. I am no prophet, but I would doubt that there would be very many of these blocks that would go for a higher value than the appraised price. It would seem to me that you have all kinds of matters to consider. I certainly agree with you that the welfare of the Indian is of paramount importance.

Of course, the type of economy we have in that part of our State is also of some importance; it cannot be disregarded.

Senator WATKINS. Of course, it raises a question as to whether a guardian under those circumstances could actually place, No. 1, even on equality, the general welfare of the United States with respect to it. Because here you have the guardianship of property owned by citizens; it is their private property.

Senator NEUBERGER. If you are going to think of Indians in the matter, then, Senator Watkins, it should not be sold in 11 blocks, it should be sold in 300 blocks so that you could get the maximum competitive bidding on it. Is that not true?

Senator WATKINS. Can you find that many units that will be desirable?

Senator NEUBERGER. If you are just going to talk about the welfare of the Indians and price to the Indians and nothing more, then the thing to do would be to sell the whole thing and in very small blocks to get the absolute maximum.

I do not think there will be more than one bidder on any one of these blocks but the smaller the blocks you break it up into the more bidders there will be on each block and the greater the likelihood that the sale will be at higher than the appraised price.

Senator WATKINS. I am not sure that that will be true. Having seen this area, I doubt that people would go there and bid on some small blocks and operate. They have to have a bigger deal than that.

Mr. CHILSON. May I make this plain, Mr. Chairman:

The realization value we are talking about is not what the appraisers expect to get in sale in large blocks. It is what they expect the withdrawing Indians will get in selling in small blocks as you have suggested under the present termination act.

So the Indians will be getting the advantage of the price by selling in small blocks with competition if private industry acquires any portion of the forest under sustained-yield management restrictions in these large units.

I just want to make that plain. We are not discounting the price to the Indians by virtue of this plan. They will get the same amount of money as if we sell it in these small, what they call, economic units, something over 100 units.

Senator NEUBERGER. The only point is that if they could put it under competitive bidding it could conceivably go at any price.

The only point I sought to make was that it seems to me obvious, from my own observation of the lumber industry in Oregon, the smaller the stand, the greater number of companies that have means to bid on the stand of timber.

I think we digress from the main point. I think we all want the sustained yield, we want the Indians to get the maximum price and we want to protect the economy in that part of the State.

Mr. Wolf has called to my attention a rather interesting factor with respect to the likelihood of any competitive bidding. This is a letter which he addressed to me under January 10 of this year. It says this:

> Since 1950, 61 sales totaling 826,704 board-feet have been sold from these national forest areas adjacent to the Klamath Falls Mills. This equals only 20 percent of the total volume on the reservation. Two-thirds of the sales had but a single bidder and sold at the appraised price.

There are obviously even substantially smaller sales than would be in these 11.

Senator WATKINS. Is that the sale of acreage of land or just timber?

Senator NEUBERGER. Timber.

Senator WATKINS. That might make a difference if they buy the land.

Senator NEUBERGER. Mr. Wolf, did you have some questions on the value?

Mr. WOLF. Yes; I did, Senator.

Mr. Chilson, you have stated that the value here is $118 million roughly for the Klamath timber units in this statement you submitted to the committee.

Mr. CHILSON. Yes.

Mr. WOLF. You label that realization value. In your statement to the committee you said that if 70 percent of the Indians withdrew they would get $83 million.

You have just taken 70 percent of this total figure to arrive at the amount that the Indians would get if 70 percent will withdraw; is that correct?

Mr. CHILSON. Yes; I believe that is correct.

Mr. WOLF. Then has this realization value been discounted in any way, or is there another figure over and above that which represents what might be called the book value of the reservation?

Mr. CHILSON. As I understand it, and then I will refer to Mr. Shanklin to substantiate this, as I understand it, the appraisers are figuring the two figures, one to make the division of property, which is the appraised value, and then this realization value which you explained.

Mr. WOLF. The division figure represents 70–30, or 60–40, or 50–50, depending on the number that stay in, or withdraw?

Mr. CHILSON. That is right.

In other words, we will say that the appraised value is, well, to make it easy, $100 million and 70 percent of the Indians withdrew. Therefore, you have to sell; you have to make a division. So you make a division on the basis of these appraised values, the 70 percent withdrawing a certain part of the assets and those remaining in keeping a certain part.

The part that is selected by the withdrawal Indians is sold. That may bring considerably less than the appraised value.

In the instance of some of the assets it might bring the same as the appraised value. Certainly as to timberland I think everybody agrees it is going to be less than the appraised value; that is the reason we

use this realization value, so that the Indians won't get mixed up and think that they are going to get this appraised value.

They are told that what they can expect to get from the sale of the timberland is this realization value.

Mr. WOLF. Referring to page 8 of your statement where you used the figure of $83 million, does that represent 70 percent of this figure in the table you submitted to the committee of roughtly $121 million?

Mr. SHANKLIN. No.

Mr. WOLF. What does that represent?

Mr. SHANKLIN. First, there has been a tentative agreement between the Department of Agriculture and the Department of the Interior as to which land would be called, for purposes of discussion, the Klamath National Forest. That has already excluded some of these timber values that would be placed on the market for sale without any covenant.

So this figure here is not a straight 70 percent of the realization value showing under the 95 timber units. We have to take out of there, to begin with, that which would be offered for sale without a covenant.

Mr. WOLF. You have taken out certain lands?

Mr. SHANKLIN. Yes, before we arrived at what would be considered the national forest land, and then we take out of that, of course, for purposes of discussion, an estimated 30 percent which would be retained by those in the tribe who wished to remain as a tribal entity.

Mr. WOLF. Then it is 70 percent roughly of $118 million?

Mr. SHANKLIN. Roughly, yes; it is not exact.

Mr. WOLF. As a matter of policy you instructed your appraisers to consider that the timber would have to be sold within a 2-year period?

Mr. SHANKLIN. That is following the last amendment.

Mr. WOLF. Since the committee is trying to correct some of the deficiencies in Public Law 587, why was it desirable that this timber had to be sold within a 2-year period if you had some information which would indicate that a better overall price would be obtained by selling it over a somewhat longer period?

Mr. CHILSON. This legislation, Mr. Wolf, was directed primarily to the problem of conservation, and was not directed toward the matter of extending the time for sales whereby you might be able to market your timber more orderly.

You see, it does not make any difference whether you market this timber in 2 years or 50 years, or 7 years or 8 years; you are still up against the same proposition, you don't have any guaranty that it is going to be managed on a sustained yield management basis.

So this legislation was directed primarily to that particular problem, the conversation problem, without getting into the controversy, which is a real one, as to whether or not this act should be extended.

Mr. WOLF. I am not speaking in terms of extending the act. I am speaking in terms of setting a period for pricing purposes which in the judgment of the appraiser would be the optimum period for liquidation.

Is it your judgment that 2 years is the optimum period for liquidation to obtain the maximum income for the Indians?

Mr. CHILSON. As I understand from the forest people, by marketing this timber over a longer period of time you probably would come up

with perhaps a better price; that is, assuming that the level of prices remains the same, you don't have a big drop in prices, demand, and so on.

I think all the foresters that I have talked to agree that you could probably get a better price assuming all the other factors are the same by marketing over a longer period of time.

Mr. WOLF. I was wondering what effect the 2-year period had upon your appraisers. You circumscribed them and told them they had to use the 2-year period. Did it have the effect of reducing the realization value?

Mr. CHILSON. I cannot answer your question because I have not talked to the appraisers, but I have assumed that as between marketing this within a 2-year period and marketing it over a 10-year period, certainly I assume that there was a difference, but you see the appraisers had to work on the basis of the present termination act.

So they were, as I understand it, merely told to proceed with the appraisal without reference to any change in the law.

Mr. WOLF. If you told them to give you their judgment as to the best price that the Indians would get without regard to your limitation, do you think they would have come up with a somewhat different realization value and a somewhat higher one?

Mr. CHILSON. Frankly, I don't know, Mr. Wolf. I just assumed that they would.

Of course, we could not ask them to make that study because we had no authority to work on except under the present law.

Mr. WOLF. Do you think it would be sound if the committee considered amending your bill, if they were to report it, to provide that the appraised price shall be based upon a value derived by having the minimum effect on reduction in value of the Indians' timber rather than restricting it to a 2-year period?

Mr. CHILSON. Mr. Wolf, I would not want to commit the Department now. As I say, you have this real conflict here. Some of the Indians insist that this thing be wound up. We want so far as possible to recognize, at least consider, the wishes of the Indians, all of the Indians.

And you have this real conflict and I would not at this time want to commit the Department on what position they would take.

Mr. WOLF. I am not speaking of extending the period of sale, but using a base for the appraisal which is different than the base you have used.

Mr. CHILSON. In other words, what you would do, as I understand it, Mr. Wolf, you are saying although we have to complete the termination within 2 years, that we will give the Indians a price more than the realization value that the appraisers have come to under the present act.

Mr. WOLF. You will assume that if it were liquidated, it would be liquidated over a somewhat longer period and that the price would not be as depressed as if you had to liquidate it in 2 years.

Mr. CHILSON. Are you talking about offering for sale to private industry under sustained-yield management, or selling in small economic units as the present act contemplates?

Mr. WOLF. I am suggesting that instead of saying that the appraised value will be defined as the fair market value if as much as 70 percent of the forest were offered for sale on a competitive market within time

limits set up under section (b) of the act, that you use language such as found in the O. & C. Act which would set the price of the timber on the basis of the amount which could be sold at reasonable prices on a normal market.

Mr. CHILSON. The best answer I can give to that is that we would have to study it.

As I see it, the big difference would be that the Indians would have immediately the use of the money, that is, at the end of the 2-year period, but that the price that they would be given would be based on what could be obtained by sales over a longer period of time.

Now, if you did make those sales over a longer period of time the Indians would not have the use of their entire money. That is a factor that occurs to me.

I just want you to know I am not being arbitrary in not expressing an opinion. I think it requires some study.

Mr. WOLF. I can well appreciate that.

Senator NEUBERGER. Mr. Coburn has a question on the trust arrangements, I think.

Mr. COBURN. I just want to make sure that the record is right on these individual trusts, Mr. Secretary, you and Mr. Lee were talking about.

Was it your testimony that these individual trusts over incompetent Indians will be terminable at the discretion of the trustee?

Mr. LEE. Yes, sir.

Mr. COBURN. In other words, a trust of that kind could go on for quite a while if the trustee felt that the incompetent Indian was still incompetent?

Mr. LEE. If the trustee determined that the Indian were incompetent the trust would continue.

On the other hand, if at any time the trustee was arbitrary and violated the principles of the trust, I think you will see that the principle is outlined very clearly that the trustee is to bring the Indian to the point where he is capable of handling his own affairs and he is to turn over the capital as rapidly as he can.

Mr. COBURN. I am aware of the fact that a beneficiary under a trust has a remedy, but I haven't heard of trusts that permit the trustee to continue the trust so long as he considers the beneficiary an incompetent. I assume that you people have checked that.

Mr. LEE. We have checked that.

Senator NEUBERGER. When you submit the trust arrangement we can go over it.

Is there a definite limitation on the fees which can be exacted?

Mr. LEE. Yes, that is correct. There are two limitations, the fee is not to exceed the trust company's schedule and, secondly, not to exceed the fees allowed by the State of Oregon.

Senator NEUBERGER. I think Mr. Gamble has several questions that he would like to ask.

Mr. GAMBLE. I will be very brief, Mr. Chairman.

Mr. Secretary, under the provisions of S. 3051, the Secretary of Agriculture is to buy the remaining lands; is that substantially what the bill contemplates?

Mr. CHILSON. He is to buy the remaining lands that are within this area designated as forest land, the green area.

Mr. GAMBLE. I believe the bill says, "that are suitable forest lands."

In view of the checkerboard situation which the chairman raised a while ago, is it possible that some of these lands, even though they might still be considered sustained-yield units, might not be suitable national forest lands?

Mr. LEE. I assume that that is possible. When we know what the Indians are going to take and where they take it, I suppose that theoretically it is possible that there may be some piece that is not suitable.

However, let me emphasize this: We have worked very closely with the Forest Service. The tentative blockings that we have come up with, as I understand it, the Forest Service believes are capable of proper management under sustained-yield principles.

Now, I assume—well, I happen to know—that the Department of Agriculture will appear here and you might inquire of them further.

Have I stated that accurately?

Mr. SHANKLIN. That is right.

Mr. GAMBLE. One other question along that line.

The bill also provides, again S. 3051, that if the Indians who remain in the tribe and retain 30 percent or whatever the area may be, elect, as I understand it under their proposed trust agreement, to break that trust and to request that the lands be sold, that the Secretary of Agriculture again gets first opportunity to bid on them.

Mr. CHILSON. That is correct.

Mr. GAMBLE. May I ask why, since this bill initially offers the property to private enterprise, under those conditions that I have just stated, the land would not again be offered to private enterprise rather than to the Secretary of Agriculture?

Mr. CHILSON. I think, Mr. Gamble, the best I can answer that is that we did not want to make this thing too complicated to begin with.

Secondly, we really do not seriously anticipate that the situation is going to come, at least in the immediate future, where the Secretary of Agriculture, to protect the forest, may have to go in.

Thirdly, if the present indications are correct, the portion of the forest that will be retained by the tribe will be a comparatively small percentage.

Considering all those factors we decided the best way to handle it was that if that condition did arise, just let the Secretary of Agriculture purchase it if he thought it was advisable to do so to conserve the conservation features.

Mr. GAMBLE. I have just one other question, Mr. Secretary.

If the Indians at some future date, assuming that S. 3051 were enacted, became unhappy with their settlement and decided they wanted to sue the United States because they did not think the realization value as set forth in this bill was what they should have gotten for their property, and they were to sue the United Sates and be awarded a judgment, would any of the private purchasers of some of these blocks, assuming they were sold to private purchasers, be subject to an increase in the sale price of this property or would the United States bear the entire burden of the court's decision?

Mr. CHILSON. Under this proposed act, I think the United States would bear the entire burden.

Mr. GAMBLE. That is all I have, Mr. Chairman.

Senator NEUBERGER. Thank you very much, Mr. Secretary.

Senator Watkins, do you have any further questions?

Senator WATKINS. I do not have any further questions at this time.

Senator NEUBERGER. Mr. Wolf, do you have anything that is urgent?

Mr. WOLF. Just one.

The bill proposed that:

> Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section, shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

What set of circumstances would make this section of the bill operative?

Mr. CHILSON. Do you have that summary of the appraisal?

You were referring to it just a moment ago. If I am correct, for example, on the grazing units we see no reason for sustained management. Similarly for the marsh units and the farm units. Also for the part of the timber units that the Secretary of Agriculture and the Secretary of the Interior, consulting together, determine need not be put under sustained yield management.

Mr. WOLF. If the Congress were to fail to appropriate the money to implement section (c) would not this provision become operative? That is public purchase, national forest purchase?

Mr. SIGLER. The answer to that question is no. This bill, if passed, would represent a Federal taking of the land and the Indians could get their money, if necessary, in a court of claims, but there would be no occasion to sell the lands under this provision you are referring to.

Senator NEUBERGER. Mr. Secretary, thank you very much for coming today.

It is 5 minutes to 12 so we will recess in a few minutes.

I just want to say for the benefit of those here that tomorrow morning at 9:30 we will take up again and our first witness, if it is agreeable with him, will be Assistant Secretary of Agriculture Peterson.

Then right after Mr. Petersen, because their stay here is limited, we will hear from Senator Quiring and Mr. Epps representing the State of Oregon.

Then we will get on to the next witnesses.

I just want to say this to you, Mr. Secretary, that we appreciate very much your coming here today. It may be that for the next few days when we are holding these hearings you may want some members of your staff to be here as questions arise which they may be called upon to answer and which in fairness to your department should be answered by them.

So I hope that some of your associates can be here until these hearings are concluded.

I also want to say this to you, that we appreciate the fullness of your time and the information. I have no preconceived notion about this. I know that we have to do something so that this termination does not run as presently provided by law and that, if necessary, to prevent it from running, I certainly am willing to accept the proposal you have brought before us, perhaps with certain clarifying or necessary amendments as we develop the facts, but I am open minded about this as I think you are.

I am sure you and I agree that we cannot let this termination run as provided for by existing law with the situation that then would prevail in southeastern Oregon.

Mr. CHILSON. Mr. Chairman, thank you for the opportunity to be here to make this presentation.

If your staff will merely designate the persons whom they would like to have in attendance we will make them available.

Senator NEUBERGER. You, yourself, know better than I do what technical information in which they specialize.

Mr. CHILSON. May I suggest, then, that insofar as their commitments will permit it, perhaps Mr. Lee and Mr. Sigler and Mr. Shanklin. Mr. Shanklin is a forester and Mr. Sigler is an attorney and Mr. Lee is Legislative Associate Commissioner of Indian Affairs.

Senator NEUBERGER. That will be fine.

I think it is important for this reason: Regardless of whether S. 3051 or S. 2047 is reported to the Senate, there is a great deal of money involved in this matter, plus the interest and welfare of a great many people.

A lot of the decisions of the Senate will be based on the hearing record. That is why I feel your people should be present.

Before we recess, I am going to include in the hearing record a letter which we have received from the Director of the Bureau of the Budget, which merely puts the Budget Bureau behind the views of the executive departments of government that are appearing before us, also a letter sent to me by Mr. Wolf, bearing on the history of timber sales in the Klamath Falls area and a comprehensive summary on the history of Working Circles of Timber Sales in this area, by Mr. J. Herbert Stone, regional forester in the Pacific Northwest region, which I think should be in the record.

(The material referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., January 31, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR NEUBERGER: This will acknowledge your letter of January 22, 1958, requesting that the staff member of the Bureau of the Budget who prepared a report on the Klamath Forest situation appear at the hearings your subcommittee is holding on February 3–5, 1958.

The policy with respect to such appearances is set forth in my memorandum of March 27, 1957, a copy of which is attached for your information.

Late last spring one of the Bureau's legislative analysts was sent to Oregon in order that we might obtain the kind of on-the-spot factual information which would give us a better comprehension of what the chief issues were in the complex Klamath situation. A report on this matter was submitted for internal Bureau use and the contents of this report were given consideration in this Bureau's action in handling clearance within the executive branch of the draft bill (S. 3051) which you have introduced, by request. Since this is merely a working document and does not reflect or contain any statements of administration policy, we believe that we cannot appropriately furnish it to the subcommittee.

If the subcommittee should wish to have testimony on the pending legislation from this office, Assistant Director Robert E. Merriam would be available for appearance. We doubt that a Bureau witness would be able to add anything of value to the testimony of the principal agencies concerned with the legislation.

Sincerely yours,

PERCIVAL BRUNDAGE, *Director.*

[Office memorandum No. 537, March 27, 1957]

BUREAU OF THE BUDGET

To: Budget Bureau staff.
From: The Director.
Subject: Hoover Commission recommendation on use of career personnel.

The White House has requested each agency to issue a policy statement putting into effect the recommendation of the Hoover Commission that career administrators be relieved of responsibility for the advocacy or defense of policies and programs, and that they be kept out of political controversies.

This principle is one of long standing in the Bureau of the Budget. The first Director, Charles G. Dawes, prescribed in Budget Circular No. 1 of June 29, 1921, that the Bureau "must be impartial, impersonal, and nonpolitical." It is my desire that this sound principle have continued support in the Bureau and that close attention be paid to protecting the Bureau's career staff from becoming identified in their work with partisan policies and, thus, subject to personal attack. To this end, our policy is to place responsibility for deciding, advocating, and defending governing policies and programs on noncareer appointees.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
January 10, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: Attached is the data on timber sales on four national-forest working circles adjacent to the Klamath Falls area, which was supplied by the Forest Service on January 2, 1958, in answer to your request and your letter of December 18, 1957, requesting this information. This brief analysis will describe the situation.

There are 4 national-forest working circles on 3 national forests where timber sales have been made in which Klamath Falls firms have bid. On three of the working circles the predominate species are ponderosa pine and lodgepole pine, which are also the major species on the reservation. On the fourth area, the major species are Douglas-fir and hemlock. The Klamath Falls firms have enjoyed good success in securing timber from all four of the areas, and the competition has not been intense. The Klamath Falls concerns have not had intense competition from mills long distances away from this area.

All indications are that there is a natural geographic area in which the Klamath Falls firms enjoy an advantage due to their proximity to the timber. This area extends substantially beyond the farthest point on the Klamath Reservation. Indications are that only if the Klamath Falls market were saturated and the price of the timber depressed, could firms from 70 miles or more from Klamath Falls successfully obtain this timber for transportation out of the area.

Since 1950, 61 sales totaling 826,704,000 board-feet have been sold from these national-forest areas convenient to the Klamath Falls mills. This equals only 20 percent of the total volume on the reservation. Two-thirds of the sales had but a single bidder and sold at the appraised price.

1. Deschutes working circle, Deschutes National Forest

This working circle lies north of Klamath Falls and north of the Klamath Reservation. Seven sales totaling 60,237,000 board-feet of timber have been made since 1952. Three of the seven sales were sold to a single bidder. Increases less than 4 percent above the appraised rates occurred on 5 of the 7 sales. One sale in 1952, and one in 1957, resulted in bids 24 percent and 11 percent above appraised rates. A Klamath Falls concern was the successful bidder for 1 sale totaling only 526,000 board-feet at a bid 3 percent above appraised rates.

2. The East Klamath working circle, Fremont National Forest

This working circle lies east of the Klamath Reservation and abuts it. Since 1950, 520,270,000 board-feet have been sold in 25 sales at a price averaging 3 percent above appraisals; 180 million board-feet are involved in a lodgepole pine sale to Johns-Manville secured at 6 percent above appraised rates. This firm established a plant on the Klamath Reservation after successfully competing against a Bend mill for the sale.

Klamath Falls concerns, as well as others in Bly, Chiloquin, and Silver Lake, which are in or adjacent to the reservation, have secured most of the sales. Nineteen of the twenty-five sales were sold in one bid sales. All were at the appraised price except 1 which sold at 1 percent more. Three sales widely separated in time which sold at 72, 57, and 18 percent above the appraised rates, provided most of the 3 percent overall increase in bids over appraised rates. Two small sales were purchased by a Wilbur Sumpter, reported to be from Bend, Oreg. The Gilchrist Timber Co., which is located about 30 miles north of the reservation, purchased only 2 sales, 1 with 800,000 board-feet on which it had competition, and the other for 2,500,000 board-feet on which it was the sole bidder.

The mills best situated geographically to secure this timber were the successful bidders. If there was a threat to the Klamath Falls mills from plants located, for example, in Bend, it would have been most likely to evidence itself in the sales in this unit.

3. West Klamath working circle, Rogue River National Forest

The working circle abuts the Klamath Reservation on the west. Eight sales have been made since 1950, totaling 83,437,000 board-feet, of which 45 million board-feet are in 1 sale to Johns-Manville. Bid rates averaged 1.6 percent above appraised rates, and 6 of the 8 sales sold at the appraised price. The Johns-Manville sale accounts for most of the increase due to bidding. One small sale of 700,000 board-feet was secured by a logger from Medford, Oreg. As in the case of the two sales bought by a logger reputed to be from Bend, it is possible this timber went to Klamath Falls. Again, the Klamath Falls area mills have been successful in purchasing this timber without excessive competition.

4. North Umpqua working circle, Diamond Lake district, Umpqua National Forest

This working circle lies north and west of the Crater Lake Park, or some 60 miles airline from Klamath Falls, is mainly in the Douglas-fir region, or west of the Cascade Divide. Until the forest highway to Roseburg was developed, it was only accessible to the east; that is, the Bend-Klamath Falls area. Since 1950, 21 sales totaling 162,850,000 board-feet of timber have been sold. Thirteen of the twenty-one sales sold to one bidder and in every case but one to a Klamath Falls firm. Starting in the summer of 1955, spirited bidding occurred with up to 10 bidders, and prices as high as 112 percent above appraised rates being received. This marked the opening of the road west to Roseburg. During 1955, all four sales sold were sold competitively to Roseburg firms. On the 2 most competitive sales, a further check revealed only 1 Klamath Falls firm bidding out of the 10 bidders. In 1956, the Klamath Falls firms were again successful in all 3 sales, while in 1957, the Roseburg firms took all 3 sales. In each year only 1 sale had a single bidder.

I trust the above furnishes the information you desire.

Sincerely yours,

ROBERT E. WOLF.

DEPARTMENT OF AGRICULTURE, FOREST SERVICE,
PACIFIC NORTHWEST REGION,
Portland, Oreg., January 2, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: Reference is made to your letter of December 18, by which you requested a record of Forest Service timber sales made since 1950 tributary to the Klamath Falls area.

Attached you will find sale summaries compiled in a manner which, I believe, will meet your request. You will note that sales for the Deschutes and North Umpqua working circles have been limited to the portions of each that are reasonably tributary to Klamath Falls. The Deschutes working circle encompasses the entire Deschutes National Forest. The North Umpqua working circle includes all of the North Umpqua River drainage lying within the Umpqua National Forest. Consequently, only minor portions of both of these management units are tributary to the Klamath Falls area; namely, the Crescent district on the Deschutes and the Diamond Lake district on the Umpqua.

If the attached report does not fully meet your needs, I will be most happy to assist you further.

Very truly yours,

J. HERBERT STONE,
Regional Forester.

Sale Summaries

DESCHUTES NATIONAL FOREST—DESCHUTES WORKING CIRCLE, CRESCENT DISTRICT

Purchaser	Date	Acres	Species	Volume (MBM)	Appraised prices	Bid prices	Percent difference	Number of bids	Method of cutting
Brooks-Scanlon, Inc., Bend, Oreg.	Sept. 4, 1952	12,700	Douglas-fir	3,800	$12.05	$12.05	24	3	Combination.
			Ponderosa pine, Western pine, and Southern pine.	24,700	37.00	52.00			
			Lodgepole pine	600	14.75	14.75			
			Old dead	(1)	2.50	2.50			
			White fir and other	6,300	5.20	5.20			
			Total	35,400	948,200.00	1,173,200.00			
Gilchrist Timber Co., Gilchrist, Oreg.	Sept. 29, 1953	1,550	Douglas-fir	20	5.40	5.40	0	1	Selective.
			White fir	211	5.40	5.40			
			Lodgepole pine	501	10.30	10.30			
			Sugar pine	352	33.80	33.80			
			Ponderosa pine	3,252	33.80	33.80			
			Total	4,336	119,551.00	119,551.00			
Eldorado Lumber Co., Klamath Falls, Oreg.	Feb. 1, 1954	190	Lodgepole pine	28	5.00	6.11	3	2	Do.
			Ponderosa pine	534	39.70	40.80			
			Old dead	(1)	2.50	2.50			
			Total	562	21,340.00	21,958.00			
Gilchrist Timber Co., Gilchrist, Oreg.	Sept. 7, 1954	38	Douglas-fir and other	55	3.00	4.50	2	1	Clear cut.
			Lodgepole pine	40	4.50	6.00			
			Ponderosa pine	1,040	34.00	35.50			
			Old dead	(1)	1.00	4.50			
			Total	1,145	36,045.00	37,762.00			
Brooks-Scanlon Inc., Bend, Oreg.	Nov. 3, 1955	1,180	Ponderosa pine	4,100	38.95	40.35	4	3	Selective.
			Lodgepole pine	400	11.25	11.30			
			Old dead	(1)	3.20	3.20			
			Total	4,500	161,045.00	166,805.00			
Gilchrist Timber Co., Gilchrist, Oreg.	Sept. 10, 1956	25	Ponderosa pine	94	34.45	36.00	2	1	Clear cut.
			Total	94	3,332.00	3,384.00			
Do	July 8, 1957	2,740	Ponderosa pine and western pine	5,900	34.90	36.70	11	2	Selective.
			Douglas-fir and spruce	6,300	13.00	13.00			
			Lodgepole pine	300	4.90	4.90			
			White fir and other	1,700	4.25	6.60			

			Old dead	(1)	2.00	2.00			
			Total	14,200	279,465.00	311,120.00			
			Grand total all species	60,237	1,568,978.00	1,833,780.00	17		
			Average		26.05	30.44			

[1] Unestimated.

FREMONT NATIONAL FOREST—EAST KLAMATH WORKING CIRCLE

Spangler Lumber Co., Klamath Falls, Oreg.	May 5, 1950	(3)	Ponderosa pine	$2,700	$16.40	$16,40	0	1	Selective.
			Western fir and dead pine	75	1.40	1.40			
			Total	2,775	71,385.00	71,385.00			
Do	Sept. 19, 1950	1,600	Western fir, lodgepole pine and other.	8,700	2.60	2.60	0	1	Do.
			Ponderosa pine, southern pine and western pine.	1,500	23.60	23.60			
			Old dead	(1)	1.15	1.15			
			Total	20,200	294,020.00	294,020.00			
Do	Oct. 26, 1950	430	Western fir	800	4.90	4.90	0	1	Do.
			Sugar pine	200	17.35	17.35			
			Dead	(1)	2.00	2.00			
			Total	1,000	7,390.00	7,390.00			
Silver Lake Lumber Co., Silver Lake, Oreg.	June 4, 1951	2,980	Ponderosa pine	2,500	16.90	16.90	0	1	Do.
			Total	2,500	42,250.00	42,250.00			
Weyerhauser Timber Co., Klamath Falls, Oreg.	June 29, 1951	12,500	White fir	18,000	4.50	4.50	0	1	Do.
			Ponderosa pine	56,400	31.10	31.10			
			Lodgepole pine	600	4.50	4.50			
			Old dead	(1)	1.75	1.75			
			Total	75,000	1,781,490.00	1,781,490.00			
Spangler Lumber Co., Klamath Falls, Oreg.	Aug. 2, 1952	880	Ponderosa pine	984	19.05	19.05	0	1	Do.
			Old dead	(1)	2.45	2.45			
			Total	984	18,745.00	18,745.00			

SALE SUMMARIES—Continued

FREMONT NATIONAL FOREST—EAST KLAMATH WORKING CIRCLE—Continued

Purchaser	Date	Acres	Species	Volume (MBM)	Appraised prices	Bid prices	Percent difference	Number of bids	Method of cutting
Sumpter & Allison (unknown) (probably Bend, Oreg.	Nov. 21, 1952	8,320	White fir and other	500	$3.15	$3.40	78	2	Selective.
			Ponderosa pine	1,500	12.50	23.01			
			Total	2,000	20,325.00	36,215.00			
Spangler Lumber Co., Klamath Falls, Oreg.	Dec. 22, 1952	680	Old dead	(1)					
			White fir	2,200	1.60	1.60	0	1	Do.
			Sugar pine and ponderosa pine	3,200	2.00	2.00			
					21.55	21.55			
			Total	5,400	73,360.00	73,360.00			
Gilchrist Timber Co., Gilchrist, Oreg.	Dec. 23, 1952	780	Old dead	(1)					
			White fir and other	200	2.35	1.90	53	2	Do.
			Ponderosa pine	600	28.70	3.00			
						44.00			
			Total	800	17,690.00	27,000.00			
Silver Lake Lumber Co., Silver Lake, Oreg.	Apr. 13, 1953	3,400	Old dead	(1)	1.90	1.90	72	2	Do.
			White fir and other	100	3.80	3.80			
			Ponderosa pine	1,000	14.00	24.40			
			Total	1,100	14,380.00	24,780.00			
Silver Lake Lumber Co., Silver Lake, Oreg.	May 27, 1953	4,760	Ponderosa pine	10,000	20.05	20.10	3	2	Do.
			Total	10,000	200,500.00	201,000.00			
Spangler Lumber Co., Klamath Falls, Oreg.	May 26, 1954	1,394	White fir	8,000	2.85	2.85	0	1	Combination.
			All pine	6,500	12.90	12.90			
			Total	14,500	106,650.00	106,650.00			
Wilbur Sumpter, Bend, Oreg.	June 28, 1954	1,000	Ponderosa pine	1,000	7.20	7.20	0	1	Selective.
			Total	1,000	7,200.00	7,200.00			
Gilchrist Timber Co., Gilchrist, Oreg.	June 28, 1954	566	White fir	500	2.10	2.10	0	1	Do.
			Ponderosa pine	2,000	31.35	31.35			
			Total	2,500	63,750.00	63,750.00			

Weyerhaeuser Timber Co., Klamath Falls, Oreg.	July 19, 1954	10,120	White fir	11,000	2.05	2.05	0	1	Do.
			Lodgepole pine	1,000	2.05	2.05			
			Ponderosa pine	79,000	23.50	23.50			
			Old dead	(1)	1.80	1.80			
			Total	91,000	1,880,300.00	1,880,300.00			
Bly Lumber Co., Bly, Oreg	Oct. 19, 1955	590	Ponderosa pine	800	11.00	11.00	0	1	Do.
			Total	800	8,800.00	8,800.00			
Modoc Lumber Co., Klamath Falls, Oreg.	do	600	White fir and other	60	4.75	4.75	57	3	Do.
			Ponderosa pine	6,800	32.65	51.25			
			Total	6,860	222,305.00	348,785.00			
Silver Lake Lumber Co., Silver Lake, Oreg.	Nov. 30, 1955	150	Ponderosa pine	400	17.80	17.80	0	1	Do.
			Total	400	7,120.00	7,120.00			
Bly Lumber Co., Bly, Oreg	Oct. 31, 1955	2,000	White fir and other	2,200	3.25	3.25	3	2	Do.
			Ponderosa pine	7,100	31.25	32.25			
			Total	9,300	229,025.00	236,125.00			
Lakeview Lumber Products Co., Lakeview, Oreg.	June 19, 1956	7,500	White fir and other	200	12.95	12.95	0	1	Combination.
			Ponderosa pine	39,200	36.80	36.80			
			Total	39,400	1,445,150.00	1,445,150.00			
Johns-Manville Products Corporation of Oregon, Chiloquin, Oreg.	Aug. 22, 1956	250,500	Lodgepole pine	180,000	4.00	4.24	6	2	Do.
			Pulpwood (cords)	(360,000)	(2.00)	(2.12)			
			Total	180,000	720,000.00	763,200.00			
George Scott, Silver Lake, Oreg	May 20, 1957	600	White fir	3	2.00	2.00	0	1	Salvage.
			Old dead	19	1.00	1.00			
			Ponderosa pine	259	15.00	15.00			
			Total	281	3,910.00	3,010.00			
Weyerhaeuser Timber Co., Klamath Falls, Oreg.	Aug. 13, 1957	7,490	Ponderosa pine	17,500	14.30	17.30	18	3	Sclective.
			Total	17,500	292,600.00	345,000.00			
Modoc Lumber Co., Klamath Falls, Oreg.	Aug. 13, 1957	10,880	Ponderosa pine	18,800	21.70	21.75	1	1	Do.
			White fir and other	15,700	1.40	1.40			
			Total	34,500	486,840.00	487,780.00			

SALE SUMMARIES—Continued

FREMONT NATIONAL FOREST—EAST KLAMATH WORKING CIRCLE—Continued

Purchaser	Date	Acres	Species	Volume (MBM)	Appraised prices	Bid prices	Percent difference	Number of bids	Method of cutting
Bly Lumber Co., Bly, Oreg.	Oct. 7, 1957	320	Ponderosa pine	470	$31.65	$37.75	19	2	Salvage.
			Total	470	14,876.00	17,742.00			
			Grand total, all species including Johns-Manville pulpwood sale.	520,270	8,030,061.00	8,299,247.00			
			Grand total, sawlog sales only.	340,270	7,310,061.00	7,536,047.00			
			Average (including Johns-Manville pulpwood sale).		15.43	15.94	3.3		
			Average (sawlog sales only)		21.48	22.15	3.1		

ROGUE RIVER NATIONAL FOREST—WEST KLAMATH WORKING CIRCLE

Modoc Lumber Co., Klamath Falls, Oreg.	Mar. 30, 1950	520	White fir	50	$2.00	$2.00	0	1	Selective.
			Sugar pine	2,000	9.60	9.60			
			Ponderosa pine	50	17.00	17.00			
			Total	2,100	20,150.00	20,150.00			
Do	Apr. 12, 1951	1,800	Douglas fir	100	12.00	12.10	1	1	Do.
			Western fir, lodgepole pine, and others.	150	6.60	6.70			
			Sugar pine	2,000	14.80	14.95			
			Ponderosa pine	350	29.95	30.10			
			White pine	(1)	29.95	30.10			
			Total	2,600	42,272.00	42,650.00			
Do	June 21, 1954	2,422	Douglas fir	1,500	4.90	4.90	0	1	Combination.
			Western fir and others	16,200	2.00	2.00			
			White pine	100	29.60	29.60			
			Sugar pine	800	29.90	29.90			
			Ponderosa pine	11,500	29.75	29.75			
			Total	30,100	408,755.00	408,755.00			

Johns-Manville Products Corporation of Oregon, Chiloquin, Oreg.	Aug. 22, 1956	250,500	Lodgepole pine	45,000	5.40	5.60	4	2	Do.
			Pulpwood (cords)	(90,000)	(2.70)	(2 80)			
			Total	45,000	243,000.00	252,000.00			
B. & M. Lumber Co., Chiloquin, Oreg.	Sept. 14, 1956	10	Douglas-fir	10	6.95	10.00	20	1	Clear cut.
			White fir and other	50	3.65	8.00			
			Sugar pine and ponderosa pine	90	26.90	30.15			
			Total	150	2,673.00	3,214.00			
Daniel G. Brown, Fort Klamath, Oreg.	Dec. 13, 1956	5	Douglas-fir	9	23.40	23.40	0	1	Do.
			White fir and other	38	13.60	13.60			
			Ponderosa pine	40	42.75	42.75			
			Total	87	2,446.00	2,446.00			
Cliff Green Logging Co., Medford, Oreg.	May 20, 1955	150	Douglas-fir	250	5.00	10.00	14	3	Selective.
			White fir and other	120	4.50	4.50			
			Ponderosa pine	330	19.30	24.35			
			Total	700	8,159.00	11,076.00			
Simplot-DeVoe Lumber Co., Chiloquin, Oreg.	Nov. 15, 1957	347	Ponderosa and sugar pine	1,490	40.90	40.90			
			Douglas-fir	300	4.90	4.90			
			Western fir and other	910	1.75	1.90	2	1	Combination.
			Total	2,700	64,003.00	64,140.00			
			Grand total, all species including Johns-Manville pulpwood sale.	83,437	791,458.00	804,431.00			
			Grand total, sawlog sales only.	38,437	548,458.00	552,431.00			
			Average (including Johns-Manville pulpwood sale).		9.49	9.64	1.6		
			Average (sawlogs sales only)		14.27	14.37	.7		

SALE SUMMARIES—Continued

UMPQUA NATIONAL FOREST—NORTH UMPQUA WORKING CIRCLE, DIAMOND LAKE DISTRICT

Purchaser	Date	Acres	Species	Volume (MBM)	Appraised prices	Bid prices	Percent difference	Number of bids	Method of cutting
Klamath Lake Moulding Co., Klamath Falls, Oreg.	Oct. 3, 1950	375	Douglas-fir	12,400	$12.15	$12.15	0	1	Clear cut.
			White pine and sugar pine	1,300	13.55	13.55			
			Hemlock, White fir, and other	1,430	1.45	1.45			
			Total	15,130	170,348.00	170,348.00			
Palmerton Lumber Co., Klamath Falls, Oreg.	Aug. 3, 1951	170	Douglas-fir	7,860	7.05	7.05	0	1	Do.
			White pine and sugar pine	300	14.80	14.80			
			Hemlock, White fir, and other	1,820	2.20	2.20			
			Total	9,980	63,857.00	63,857.00			
Do	Oct. 9, 1957	171	Douglas-fir	10,420	15.60	15.60	0	1	Do.
			White pine and sugar pine	730	22.60	22.60			
			Hemlock and other	490	1.45	1.45			
			White fir	480	1.55	1.55			
			Total	12,120	180,504.00	180,504.00			
Do	June 9, 1952	72	Douglas-fir	2,900	8.20	8.20	0	1	Do.
			Hemlock	400	1.00	1.00			
			White pine	100	19.60	19.60			
			Total	3,400	26,140.00	26,140.00			
R. A. Briggs & Sons, Klamath Falls, Oreg.	June 1, 1953	16	Douglas-fir	310	11.05	11.05	0	1	Combination.
			White fir	5	2.20	2.20			
			Total	315	3,436.00	3,436.00			
Eldorado Lumber Co., Klamath Falls, Oreg.	Oct. 30, 1953	293	Douglas-fir	14,370	10.00	10.00	0	1	Clear cut.
			Hemlock	980	1.50	1.50			
			Western pine and sugarj pine	360	30.35	30.35			
			Ponderosa pine	350	21.45	21.45			
			Total	16,060	163,603.00	163,603.00			
Do	May 6, 1954	101	Douglas-fir	1,100	13.15	13.15	0	1	Selective.
			White fir	50	1.00	1.00			
			White pine	80	36.25	36.25			
			Total	1,230	17,415.00	17,415.00			

Do	do	62	Douglas-fir	3,670	2.45	2.45	0	1	Clear cut.
			Hemlock	310	1.45	1.45		
			White pine	70	23.45	23.45		
			Total	4,050	11,082.00	11,082.00		
Do	July 19, 1954	50	Douglas-fir	540	7.50	7.50	0	1	Selective.
			Hemlock	40	1.00	1.00		
			White pine	20	13.65	13.65		
			Total	600	4,363.00	4,363.00		
Do	Aug. 9, 1954	164	Douglas-fir	10,500	8.95	8.95	0	1	Clear cut.
			Hemlock	930	1.45	1.45		
			All pine	200	27.65	27.65		
			Total	11,630	100,853.00	100,853.00		
Do	do	220	Douglas-fir	11,000	7.90	7.90	0	1	Do.
			Hemlock	2,600	2.25	2.25		
			White pine	400	28.15	28.15		
			Total	14,000	104,010.00	104,010.00		
The Martin Bros. Box Company of Oregon, Oakland, Oreg.	July 22, 1955	256	Douglas-fir	9,000	23.45	46.40	79	9	Do.
			Hemlock and other	6,600	6.10	6.10		
			All pine	300	39.20	39.20		
			Total	15,900	263,070.00	469,620.00		
Roseburg Lumber Co., Roseburg, Oreg.	July 22, 1955	146	Douglas-fir	6,100	19.70	48.50	112	10	Do.
			Hemlock and other	1,300	4.50	4.50		
			All pine	800	37.90	37.90		
			Total	8,200	156,340.00	332,020.00		
Roseburg Lumber Co., Roseburg, Oreg.	Aug. 8, 1955	7	Douglas-fir	20	4.40	15.50	49	5	Selective.
			Sugar pine	80	25.70	36.00		
			Total	100	2,144.00	3,190.00		
The Martin Bros. Box Company of Oregon, Oakland, Oreg.	Sept. 16, 1955	60	Douglas-fir	500	12.05	26.25	114	4	Do.
			Hemlock and other	30	1.00	1.00		
			All pine	20	9.45	9.45		
			Total	550	6,244.00	13,344.00		
Diamond Lake Lumber Co., Klamath Falls, Oreg.	July 9, 1956	176	Douglas-fir	7,300	30.50	40.75	29	5	Clear cut.
			Hemlock and other	1,900	10.65	10.65		
			All pine	300	37.70	37.70		
			Total	9,500	254,195.00	329,020.00		

SALE SUMMARIES—Continued

UMPQUA NATIONAL FOREST—NORTH UMPQUA WORKING CIRCLE, DIAMOND LAKE DISTRICT—Continued

Purchaser	Date	Acres	Species	Volume (MBM)	Appraised prices	Bid prices	Percent difference	Number of bids	Method of cutting
Puckett & Scherer, Klamath Falls, Oreg.	July 9, 1956	120	Douglas-fir	4,500	$27.15	$41.60	48	5	Clear cut.
			Hemlock and other	1,100	8.15	8.15			
			All pine	100	30.60	30.60			
			Total	5,700	134,200.00	199,225.00			
Diamond Lake Lumber Co., Klamath Falls, Oreg.	Oct. 23, 1956	120	Douglas-fir	350	18.25	18.25	0	1	Salvage.
			Western fir and other	40	3.25	3.25			
			Pine	35	12.65	12.65			
			Total	425	6,960.00	6,960.00			
Douglas Veneer Co., Roseburg, Oreg.	May 9, 1957	8	Douglas-fir	270	36.75	36.75	0	1	Selective.
			Hemlock and other	30	9.00	9.00			
			Pine	260	34.15	34.15			
			Total	560	19,072.00	19,072.00			
Douglas Veneer Co., Roseburg, Oreg.	Aug. 26, 1957	338	Douglas-fir and western pine	16,000	13.75	13.75	.1	2	Clear cut.
			Southern pine and Ponderosa pine	1,700	7.75	7.75			
			Shasta red fir	2,000	7.70	7.70			
			White fir and other	4,000	5.00	5.10			
			Total	23,700	312,825.00	313,225.00			
Engle Lumber Co., Roseburg, Oreg.	Sept. 26, 1957	136	Douglas-fir and pine	8,050	15.70	20.75	31	5	Do.
			Western fir and other	1,650	2.50	2.50			
			Total	9,700	130,510.00	171,162.00			
			Grand total all species	162,850	2,131,171.00	2,702,449.00			
			Average		13.09	16.59	26.7		

Senator NEUBERGER. If there is nothing further to come before the subcommittee, we will stand in recess until 9:30, Tuesday morning.

(Thereupon, at 12 o'clock noon, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, February 4, 1958.)

AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

TUESDAY, FEBRUARY 4, 1958

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 9:30 a. m., in room 224, Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee), presiding.

Present: Senator Neuberger.

Present also: William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McSherry, assistant chief clerk.

Senator NEUBERGER. The subcommittee will please come to order.

Our first witness this morning will be the Honorable E. L. Peterson, Assistant Secretary of Agriculture.

Mr. Secretary, I think you have some members of your staff whom you might want to have join you at the table.

Mr. PETERSON. Thank you, Mr. Chairman. I do have Assistant Chief Edward C. Crafts; associate general general, Mr. Mynatt, and Mr. Florence, Mr. Hickson, and Mr. Josephson are here from the Forest Service.

Senator NEUBERGER. Fine, Mr. Secretary. I will be glad to have them join you.

I am also going to suggest that the officials of the Indian Affairs Bureau might want to take a seat at the table, and Mr. Quiring and Mr. Epps, representing the State of Oregon, so that they will be more comfortable and be able to take notes and so on, because they are here in an official capacity.

Mr. PETERSON. Thank you, Mr. Chairman.

Senator NEUBERGER. I want to make this as informal as we can because this is for the purpose of getting information rather than insisting on formality.

If you care to begin, Mr. Peterson, that is fine.

STATEMENT OF E. L. PETERSON, ASSISTANT SECRETARY, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY EDWARD C. CRAFTS, ASSISTANT CHIEF, FOREST SERVICE, AND E. F. MYNATT, ASSISTANT GENERAL COUNSEL, DEPARTMENT OF AGRICULTURE

Mr. PETERSON. Mr. Chairman and committee members, I am glad to make a brief statement on S. 2047 and S. 3051.

These bills offer different methods of disposing of the Klamath timberlands and other tribal lands as required by the Klamath Indian Termination Act. The provisions of both bills are understood by the committee so I shall not describe them.

The Department of Agriculture shares the concern that has arisen in numerous quarters as to the economic consequences that would follow carrying out the provisions of the present termination act.

Continued management of the timber resources of the Klamath Reservation is essential to the prosperous economy in the Klamath Basin and to needed soil and conservation. If a large portion of these resources are forced on the market in a short time without any requirements for future management, the immediate consequences would be depressed prices and an overabundance of timber for a few years. This would be followed by a much reduced timber supply which could not sustain existing forest products industries and the people dependent upon them.

Agriculture now administers three national forests in that area which are adjacent to the Klamath Reservation on three sides. The national forests are administered under policies of multiple use and sustained yield of all resources. National-forest timber resources which are tributary to the Klamath Falls area, private timberlands, and the Klamath Indian timber are an important segment of the natural resources upon which the economy of the Klamath Basin depends.

Two principles should govern any plan to dispose of tribal timberlands for the purpose of paying withdrawing members their share of tribal assets: (1) A fair and adequate price must be obtained in order to adequately compensate the withdrawing Indians; and (2) there must be assurance that the timberlands disposed of will be managed under sustained yield.

These two principles have guided our consideration of the various proposals that have been made.

On the question of price, agriculture is not directly involved and defers to the recommendations of the Department of the Interior on the best way of achieving a fair price.

On the second point, there is no requirement in the present termination act that timberlands disposed of will be managed under sustained yield. On the contrary, the provisions that require disposition by 1960 of sufficient tribal property to pay withdrawing members would, if adequate prices are obtained, stimulate rapid liquidation of the timber without regard for sustained yield. Nor are there any Federal laws, and the State of Oregon has none, that require sustained-yield management of private timberlands.

In the Klamath Falls area sustained-yield timber management is currently practiced on the national forests, on the Klamath Indian Reservation, and on some of the larger private holdings. Smaller

timberland owners generally are not practicing sustained yield in that area.

Conditions in the ponderosa pine type of southeastern Oregon are not as favorable to sustained yield management by small private landowners as in other timber types in some other prats of the country due to the relatively slow growth and uncertain prospects for regeneration.

The Department of Agriculture agrees that the present termination act needs amending. We concur with the Interior Department in recommending enactment of S. 3051 rather than S. 2047.

Both bills have provisions for a fair price to the Indians; both would assure sustained-yield management of timber sold. Other than a different procedure for price determination, the two main substantive differences between the bills are that S. 2047 would: (1) Constitute a taking of private property from those Indians who do not wish to withdraw from the tribe, and (2) offer no opportunity for private purchase of timberlands. S. 3051, on the other hand, would not sell the assets of those Indians who elect to remain in the tribe and would give private purchasers a chance to acquire offered timberlands under certain conditions.

Those Indians who may elect to remain in the tribe should be permitted to retain their share of the tribal forest lands.

As to whether the timberlands to be sold should be offered for sale to private purchasers, or acquired by the Federal Government, there is no easy solution. We believe that sustained yield must be assured, and this is a more important consideration than whether the lands are to be in public or private ownership.

Federal purchase and inclusion in the national forest system would, of course, assure sustained-yield management. But the Department of Agriculture does not generally favor substantial additions to the national forests although some exceptions have been made. We do recognize that the Klamath tribal timberlands are of such character that it would be suitable to include them in the national forests.

Private ownership would not assure sustained-yield management unless required in the instruments of conveyance as proposed in S. 3051. Requirements for sustained-yield management would mean direct Federal control of forest practices on the lands purchased. Agriculture would not relish the task of supervising compliance with such requirements but is willing to do so if private purchasers wish to acquire lands under these conditions.

In simplest terms S. 2047 proposes public ownership; S. 3051 proposes public ownership only if private purchasers do not buy the offered timberlands subject to sustained-yield requirements.

If private purchasers are not willing to acquire the timberlands to be offered under conditions which will assure sustained-yield management and under fair price specifications, this Department recommends that these tribal timberlands be purchased by the Federal Government and included in the national-forest system.

That concludes my statement, Mr. Chairman. With the help of the staff we will try to answer such questions as you may have.

Senator NEUBERGER. Thank you, Mr. Secretary. I have only a few questions.

I take it from your statement that you believe that it would be against the public interest if the existing termination act were allowed to run its course in the Klamath basin.

Mr. PETERSON. It seems to us it would, Mr. Chairman.

Senator NEUBERGER. So the choice, then, comes as to whether the termination act will be amended by S. 2047 or by S. 3051.

I believe that is a fair statement of the two choices before us.

Mr. PETERSON. Yes, Mr. Chairman, or some other proposal that may be developed by the Congress.

Senator NEUBERGER. Here is what puzzles me a little bit. You say on page 3 of your statement:

> We believe that sustained yield must be assured and that is a more important consideration than whether the lands are to be in public or private ownership.

You are Assistant Secretary of Agriculture in charge of national forests, if I am not mistaken.

Would you be willing to sell existing national forests into private ownership if the sustained yield covenant comparable to this would run with the sale?

Mr. PETERSON. Mr. Chairman, on the basis of any information we have now, or anything we can possibly foresee, we would resist with vigor any disposal of any part of the national-forest system.

Senator NEUBERGER. But you do not see any advantage in purchasing this reservation as a whole, and adding it to the national-forest system?

Mr. PETERSON. Mr. Chairman, I think there are some advantages to the purchase of this reservation in its entirety and adding it to the national-forest system.

As you know, I think, there has been through the years a good deal of discussion of the total of the Federal ownership of the lands, particularly in the West, and it seemed to us after consultation with Interior that there was an opportunity to at least offer these lands to private ownership and still retain sustained-yield management and that is the essence of the proposal that has been made to the committee.

Senator NEUBERGER. I want to say this in all candor:

The position of the Forest Service and the Department of Agriculture has puzzled me more in this than that of the Interior Department.

How many national forests are there in the Nation?

Mr. PETERSON. About 150.

Senator NEUBERGER. S. 2047 in effect proposes to buy another national forest and make it 151 and add it to your list of national forests, to your repertoire I might say. You would administer it as a national forest, as to timber management, grazing, recreation, under the Forest Service.

Your statement is opposed to that, in other words, you do not want to make 150 national forests 151.

Yet you tell me you would not make them 149. If 13 apples are good, what is wrong with 14 apples?

Mr. PETERSON. I think there is a principle involved here, Mr. Chairman. I should say I think about three things. One I have already said, we would oppose any diminution of the national-forest system.

Another one is that we would not want this proposal to be interpreted as a precedent for extending Federal regulation to private forest lands.

The third one is that neither would we want it a precedent if Federal purchase were involved for further general acquisition by the Federal Government of additional lands.

Now, the question is simply, as we see it, as to whether under the circumstances applying here an offering should be made for potential private acquisition or whether there should solely be Federal acquisition.

It seems to us in view of the volume of Federal lands already in Federal ownership that if there is an opportunity for private acquisition it should not be overlooked.

Senator NEUBERGER. As I say, I still do not understand. I may be wrong, but I think the position that the Forest Service and the Department of Agriculture, particularly the Department which, after all, is the policy-making agency over the Forest Service, has taken here certainly can be used as an argument for any national forest in the land to divide it up into 11 pieces and offer the 11 pieces for sale at a certain minimum substantial appraised price to private ownership and then for the Forest Service to take what is left, because that is essentially what is proposed in S. 3051.

What S. 3051 says is this, the Indian forest will be divided into these large blocks, they will be offered to private purchasers. Whatever private purchasers do not buy at this price, the Forest Service will make a national forest; is that correct?

Mr. PETERSON. As part of the existing national forest, that is correct, sir.

Senator NEUBERGER. I cannot see, if that is a more important consideration to have sustained yield on the land than to have it in public ownership as your statement points out why we do not offer all Federal national forest timber for sale to private ownership and let the Government manage what is left.

Mr. PETERSON. Assuming that were done, Senator, and applied to the whole National Forest Service, I am inclined to the personal view, and it is only a judgment, that there would be a possibility of so dismembering the system with various scattered pieces all through the system that it would be almost impossible of reasonable and efficient management.

Senator NEUBERGER. That is a very good reply. That is what I am afraid of here, that what you point out would happen to the whole system, of dismembering it, having various scattered pieces, is what would happen particularly if Secretary Chilson is right that there are indications there may be some private purchasers here.

If your fear is correct, should this policy be applied to the whole system, and I believe they are correct, why is not the same worry perfectly applicable to this one timber area in southeastern Oregon? Would you not have the same difficulty of administration and dismemberment and everything else if private industry looks over these 11 blocks and takes the 4 choicest ones?

Mr. PETERSON. I think there is no question that administration of lands that are in a body and contiguous is easier than administration of intermingled lands and we have had some experiences as you know with intermingled lands.

I think the essential difference is that such lands as may pass to public ownership and the national-forest system would be closely

adjacent to and in some cases perhaps contiguous to existing national forests.

Senator NEUBERGER. Nobody knows now. You and I do not know; Mr. Chilson admits he does not know, the Indian Service does not know, if this is offered for sale in 11 blocks, no one can tell which, if any, all, or few, will be bought and which will be passed over to be acquired by the Government.

Mr. PETERSON. That is correct.

Senator NEUBERGER. We do not know whether they will be contiguous, isolated, or what?

Mr. PETERSON. We don't know that, of course.

Senator NEUBERGER. I have only a few questions, because I know your time is limited and we want to get to other witnesses.

Mr. Secretary, you and I both come from Oregon. We are both familiar with the lumber business. Are you at all concerned about the precedents that might be established in the Federal Government putting up under its auspices timber for sale in such very large blocks that quite obviously only the extremely well financed and even monopolistic lumber operators could bid on them?

Mr. PETERSON. That is of concern to us, Senator. Several cases I have personally looked into—our sales policy—having that thought in mind.

The individual units that have been tentatively outlined here would have, as I understand, an annual yield on a sustained basis of from 3 to 5 million feet.

So the size of operation that might utilize the sustained-yield output of one of those units would be small.

The point to which I make reference is the initial capital investment required which limits obviously the type of possible purchaser.

Senator NEUBERGER. Mr. Gamble, do you have some questions of the Secretary?

Mr. GAMBLE. No, Senator, I do not.

Senator NEUBERGER. Mr. Coburn?

Mr. COBURN. I wondered if the Secretary had any more information than Secretary Chilson had about prospective purchasers?

Mr. PETERSON. No, we have had no contacts to my knowledge in our department, Mr. Coburn.

Mr. COBURN. Have you made any estimates of the cost to the Forest Service and the Department of Agriculture involved in the surveillance of the sustained-yield management of those tracts that do go into private lands?

Mr. PETERSON. I have no information on that point.

Perhaps some of the staff may have. If they do have, I presume it is tentative.

Mr. Crafts, do you have any information on that point?

Mr. CRAFTS. Of course, that would depend on how many of these units went into private ownership. On the assumption that the 11 units went into private ownership, our estimate is that the cost would not be large.

We estimate somewhere between twenty-five and thirty-five thousand dollars a year required to staff 2 or 3 people to supervise these areas and to inspect them and that sort of thing. That is about all.

Mr. COBURN. Do you think that amount would be sufficient to insure very good surveillance?

Mr. CRAFTS. We think so, yes.

Mr. COBURN. Yet you are reluctant, as I get your statement, to supervise compliance. Now, why is that?

Mr. PETERSON. On that point I repeat what I said earlier, Mr. Coburn. We would not want this proposal on our part, so far as the Department of Agriculture and the Forest Service is concerned, to be considered, one, as a precedent for extending Federal regulation to privately owned forest lands.

Two, we would not want it to be considered as a precedent for any similar application to any part of the existing national forest system.

And, three, we would not want it considered as a precedent for the further general acquisition of private lands by the Federal Government.

Mr. COBURN. The committee is to assume, then, that if, however, these lands do go into private hands your reluctance to supervise will cease at that point?

Mr. CRAFTS. Our general position is that if the Congress should enact this type of legislation, we could and would apply the regulation.

The statement of reluctance is pointed more to the precedential question than the specific instance here involved.

Mr. COBURN. Perhaps this question ought to be directed to one of your staff members, but we had colloquy here yesterday with Mr. Chilson about this, I will call it the 70 percent provision of S. 3051.

I think everyone knows what we are talking about without belaboring it.

Would you feel bound to abide by that principle if the national forest system took over some of these lands and sold the timber therefrom to private enterprise?

Mr. PETERSON. I am not sure that I follow your question.

Mr. COBURN. You know what the provision is in the bill now, that in appraising, in arriving at the realization value, there is a provision that says you would have to take into account that 70 percent of the lands would be sold?

Mr. PETERSON. That is right.

Mr. COBURN. To meet the needs of the withdrawing members.

Now, assuming that the Forest Service takes over those areas that do not go to private enterprise, you, I assume, will continue to sell timber to private enterprise?

Mr. PETERSON. Well, it will be managed as a national forest and timber will be sold under competitive bidding.

Mr. COBURN. How would you go about appraising the timber on those lands?

Mr. PETERSON. I will have to ask one of our technical men to answer the question.

Mr. CRAFTS. If the lands become national forest lands, we would appraise the timber for offerings as we do on other national forest lands in that area, going through our usual appraisal procedure with which I think you are generally familiar.

Mr. COBURN. Yes. In other words, is it your statement that you would not be concerned with what is called realization value.

Mr. CRAFTS. Well, the two things are different.

Mr. COBURN. Precisely.

Mr. CRAFTS. And the realization value, as I understand it, would be the liquidation value of the entire property over a specific period of time, land and timber as described by the Department of Interior yesterday. Whereas, the appraised price of the timber that we put on the market for sale relates only to timber, relates only to the amount of timber that is made to put on the market at that particular time and is influenced by the prevailing selling prices and costs of logging at that time.

It seems to me they are two entirely different things.

Mr. COBURN. You would not then even defer to ascertain what the realization value was, you would proceed under your regular appraisal method?

Mr. CRAFTS. Yes.

Mr. COBURN. Could I ask you one of these "iffy" questions?

If you did take into account realization value, suppose the law said you had to take into account the realization value according to the terms of S. 3051, would your valuation be higher or lower as compared with your regular appraisal method?

Mr. CRAFTS. I am not sure I can figure that out in my mind right off.

Mr. COBURN. I would like to have that in the record, Mr. Chairman.

Senator NEUBERGER. Could you supply that for the record within the next 5 to 7 days, Mr. Crafts?

Mr. CRAFTS. We will be glad to do that.

(The following information was subsequently received from Mr. Crafts:)

We have concluded after studying this matter that the two kinds of appraisals are not properly comparable. The two appraisals cover different time periods, and differing kinds and amounts of timber, therefore they could not be expected to be the same even on a per thousand board-foot basis. A realization value appraisal made for timber under the promises of S. 3051 should result in a lower value than a sale appraisal made by the Forest Service; but the two should not be compared. This is true even when timber values only are included. Values for land, buildings, and other features included in the realization value appraisal are not included in timber sale appraisals.

One reason that the two appraisals are not comparable is because the timber value is justifiably discounted to its present worth in order to obtain realization value under the premise of S. 3051. This is equitable to both buyer and seller. In contrast, the appraised price of national-forest timber sales is not discounted because purchasers are not required to pay the full value at time of purhase. They pay by installments with the amount of each installment based on the size of the sale and the rate of cutting.

A second reason why the two are not comparable is because the same amounts and quality of timber would not be covered by each appraisal. On a national-forest timber sale the customary selective cutting in the ponderosa-pine type would be followed and hence only a fraction of the stand would be sold and marked for cutting. Under the premise of S. 3051, the entire stand would be sold. As a general rule, timber marked for cutting on a selective basis consists of the larger mature and overmature trees which yield unit values higher than the average for the total merchantable stand.

Senator NEUBERGER. I want to ask one question as long as Mr. Crafts is answering questions of Mr. Coburn.

Is the Forest Service at all concerned about the recreational values on this land such as camping, fishing, hunting, picnicking grounds, and so on, such as are customarily under the custodianship of the Forest Service in national forests?

Mr. CRAFTS. You ask if we are concerned about them. If these lands become national forests they would be managed under our multiple-use principle in which we would attempt to develop the timber values and the other use values of the national forests of which recreation of course, would be one.

Senator NEUBERGER. If they become private lands or some of the areas did become private lands you would have no such responsibility over those lands?

Mr. CRAFTS. That is correct.

Senator NEUBERGER. In other words, on the lands that were purchased into private ownership, your sole responsibility would be to determine that the timber was being cut on a sustained-yield basis.

Mr. CRAFTS. No, it would be a little more than that because I believe there is a clause in the bill that says there have to be precautions with respect to soil and water values as well as timber values, but there would not be responsibility with respect to recreational values under the terms of the bill.

Senator NEUBERGER. And you would have no custodianship over wildlife in that area?

Mr. CRAFTS. No.

Senator NEUBERGER. In other words, with the exception of the sustained-yield covenant and the other exceptions you have just mentioned, the Forest Service would have no responsibility over whatever portion of the reservation is bought by private buyers?

Mr. CRAFTS. That is my understanding.

Senator NEUBERGER. Mr. Coburn mentions to me that he believes there is access provided to all portions of the area.

Mr. CRAFTS. That is correct.

Senator NEUBERGER. But there is no responsibility for recreational or wildlife and similar values?

Mr. CRAFTS. No.

Senator NEUBERGER. Do you have any questions, Mr. Wolf?

Mr. WOLF. Yes; I have a few.

Mr. Secretary, does the Department believe it would be affected by the sale of national forest timber adjacent to the Klamath Reservation if Public Law 587 were not amended?

Mr. PETERSON. That is if liquidated sale were made?

Mr. WOLF. Yes.

Mr. PETERSON. As I understand it, there is 4½ billion feet of saw timber and about a million and a half cords of pulp timber. If that quantity of timber were offered all at once on the market, we think that that offering would have a depressive effect upon the pine timber market and that for a period of time the national forest timber sales would be affected, perhaps even none could be made.

Mr. WOLF. What would you do if that were the case?

Mr. PETERSON. If we had no takers for our offerings, of course, we would not put up sales except as there were needs outside of the area of service from that particular area of land.

Mr. WOLF. Would you lower your prices?

Mr. PETERSON. I do not think so, Mr. Wolf. We have generally followed the principle of refusing to offer national forest timber at what might be termed distress prices.

I think part of our responsibility is to get a fair market value for the timber for the Government and I think that under a distressed

situation brought about by unusual circumstances, we would be ill advised to try to meet that type of distress competition.

Mr. WOLF. That in essence is what you told the National Lumber Manufacturers Association, speaking generally, is it not?

I should like to quote you here:

> National Forest timber will not be offered at distress prices below current fair market value.

Mr. PETERSON. That is our policy.

Mr. WOLF. Then the Federal Government and the Treasury would not have the money coming in that normally comes in from the Rogue River, Fremont, and Deschutes Forests?

Mr. PETERSON. To the extent that the offering of the Klamath timber under the provisions of the termination act either stopped or slowed down sales on national forests, there would be an effect obviously on the receipts to the counties and upon the whole economic situation in the lumber industry affected by the disposition of that timber.

Mr. WOLF. Have you had any survey made in the department and transmitted it to the Department of the Interior showing the effect on local governments and national forest revenues if Public Law 587 is allowed to run its course?

Mr. PETERSON. I don't believe we have, Mr. Wolf. It is largely at this stage a judgment factor and we could not pick with precision what would happen, but I think judgment would indicate a situation similar to that which I have attempted to describe.

Senator NEUBERGER. There is one question I would like to ask the Secretary and his associates.

One of the situations in the State of Oregon that has people worried is the economic crisis in our State. Quite a few of us feel that pulp industry is useful to stabilize the shaky employment in sawtimber.

As the Forest Service people will realize, there has been one pulp industry provided at Klamath County, the Johns-Manville operation, which is purchasing the lodgepole pine growing on the national forest.

Last fall I went over the operation and although I was born in Oregon it is the first time I have ever seen lodgepole pine sold commercially.

I was very interested to see it on the Rogue River National Forest between Klamath Falls and Medford.

Under which circumstance would it be more likely that the so-called scrub timber species in this Indian reservation forest would be most available for utilization as pulp—under the outright Federal purchase provided for in S. 2047 or under this alternative method suggested in S. 3051?

Mr. PETERSON. Senator, some of the Forest Service people may respond more clearly than I can. I think that with respect to any forest land the type of product from the land normally tends to find its highest use.

In other words, if there are sawtimber values on the land, it will normally be used for sawtimber, and the defective and so-called scrub species, if there is a pulp market within economic transportation business, it would find its way into that pulp market irrespective of the type of ownership involved.

Senator NEUBERGER. The thing I wondered is, speaking of the unit as a whole; in other words, I am not an expert on this at all, far from it, but I just wondered if a lumber company bought 1 unit or 2 units, whether there would be sufficient scrub timber on there to support a pulp industry.

If so, would they be free to harvest in any way they desired? What would the situation be between the two contrasting plans?

Mr. PETERSON. It is my judgment, Senator, that a unit operation with a million and half cords of existing pulp values would more adequately lend itself to a sustained pulp operation than would the possible breaking up of the area into units.

I think that is rather obvious. Is that not correct, Mr. Crafts?

Mr. CRAFTS. I would think so.

Senator NEUBERGER. In other words, if the whole area were operated as one unit, there would be more likelihood that the scrub timber could be utilized for pulp than if it is broken up into different segments.

Mr. PETERSON. I would think the potential would be greater in a single unit for pulp utilization.

Senator NEUBERGER. Is that your opinion, Mr. Crafts?

Mr. CRAFTS. I think so, Senator Neuberger. These units are established following a lot of considerations, the topography, the kind of timber in them, accessibility and various other factors. There are some of those units that have a lot more lodgepole pine timber in them than others.

The three that have the most are the H, K, and J units.

The H unit there has by far the largest volume of lodgepole pine and would support by far the largest cut of lodgepole pine.

Now, if these were sold in private units and the pulp company were interested, I would expect that the pulp company would attempt to be the successful bidder on those three units perhaps, and then they would seek to purchase such lodgepole pine as there is from the purchasers on the other units and perhaps trade them for some of the sawtimber that is in their unit.

If it were all in one unit I think it might be easier to utilize the two types of timber a little more completely.

Senator NEUBERGER. You mean the whole forest?

Mr. CRAFTS. If the whole thing were in one unit it would be somewhat easier to do that than if they were in separate units.

Senator NEUBERGER. That is one factor that has moved me somewhat on this.

I say again to you what I said to Secretary Chilson, there is no pride of authorship in this. If there were I would not on the very first day have put in the administration bill to get it before us for consideration, but I have felt since the beginning that under proposal S. 2047 there was more likelihood of successful utilization of the scrub species for pulp than there was in the arrangement under S. 3051.

That has somewhat influenced me on this because I think it is so important to try to secure some additional pulp industries in our State to stabilize what is happening in lumber and sawtimber production.

Mr. PETERSON. I would agree with you that the desirability of pulp is high in our State, not only for this type of situation, but for the management of the national forest generally.

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We are attempting to move as rapidly as we can to extensive management of the national forest system, particularly that which is under more intensive use where there exist various types of uses.

We have opportunity for thinning sales and salvage sales and sales of low-value species. There is only, on the other hand, one use, sawtimber, that same opportunity does not exist.

Senator NEUBERGER. These units are largely geared to sawtimber with respect to sustained yield, to value, to the way the units are divided up, than to any definite contemplation of pulp production; is that correct, or incorrect?

Mr. PETERSON. I would have to ask Mr. Crafts on that.

Mr. CRAFTS. I don't think that is entirely correct, Senator. The values include both the sawtimber and the cordwood values. The allowable cut has been roughly estimated based on sawtimber separately, and on cordwood separately.

There are 3 or 4 units which include the predominant amounts of lodgepole pine which in the reservation as you know, occurs largely in big patches. The occurrence of this lodgepole pine in those bodies was a factor, one of several factors, in the drawing of those unit boundaries.

Senator NEUBERGER. Then let me ask you this question: As a trained forester, and your position as a technical forester, under which of the two proposals before the Congress, before this subcommittee, do you think there would be the greater likelihood or possibility of encouraging further pulp industry and production in the Klamath Basin?

Mr. CRAFTS. From the standpoint of complete utilization of the lodgepole pine, I would say the national forest proposal.

Senator NEUBERGER. By that you mean S. 2047?

Mr. CRAFTS. Or some bill that accomplishes placing the lands in the national forests.

From the standpoint, and this, I cannot answer, from the standpoint of the desire of a company either to own its property in fee simple or to have a contract with the Government, I do not know which the pulpwood company would prefer, and that factor is just as important as the prospect of utilization of timber.

Mr. PETERSON. There is another factor bearing on that, Senator, and I am thinking of the Southeast, now, where pulp companies have established themselves in some number.

I understand their general position to be that they wish to own outright a certain percentage of their total requirements in order to have some assurance of continuous supply as distinguished between buying either on a negotiated-sale or competitive-bid basis.

Senator NEUBERGER. What is the situation, Mr. Secretary, with the Johns-Manville plant near Klamath Falls up in the Chiloquin area?

Do they own any timberland of their own, or do they cut it entirely from the national forest?

Mr. PETERSON. I am not sure. We work with Johns-Mansville, or, I should say, the Forest Service did, to make available a supply of timber to make it possible for them to establish that plant.

My best information is that it is all national forest timber they are using.

Senator NEUBERGER. Is that correct, Mr. Crafts?

Mr. CRAFTS. That is my understanding.

Mr. PETERSON. I might say in Alaska we have made some large sales up there of coniferous spruce and hemlock in order to make it possible for the pulp users to make the capital investment to establish their plants.

Mr. WOLF. Mr. Peterson, have you developed the specifications and minimum requirements for your proposed sustained-yield agreements?

Mr. PETERSON. I understand we have. I would ask Mr. Crafts to respond more fully to that, Mr. Wolf.

Mr. CRAFTS. Well, in answer to that question, the Departments of Interior and Agriculture have been jointly working on the preparation of specifications and minimum requirements. We have a draft of those in which there has been what you might call informal agreement, but they, of course, will not be finalized until such time, assuming the bill is passed, that the actual advertisings are made, at which time they will be made available.

So in answer to your question I would say that we have at the present time a tentative draft of the specifications and minimum requirements.

Mr. WOLF. Senator, do you think it would be desirable for the committee to have that?

Senator NEUBERGER. If the Department can make it available for the record.

Mr. CRAFTS. We will be glad to submit that for the record.

Senator NEUBERGER. Within approximately what length of time?

Mr. CRAFTS. We can do it right now. We have a copy here, if I can get one.

(The material referred to follows:)

[Tentative]

SPECIFICATIONS AND MINIMUM REQUIREMENTS FOR SUSTAINED YIELD

Purchasers of Klamath Indian tribal forest lands under the Klamath Termination Act of August 13, 1954 (68 Stat. 718), as amended, will be required to comply with the following specifications and minimum requirements for sustained yield:

A. MINIMUM REQUIREMENTS

The purchaser will be required to maintain or build up the growing stock of each major forest type to a point whereby it equals at least 60 percent of normal yield table values and is approximately balanced as to diameter or age classes. Adjustment of growing stock must be accomplished by the end of a predetermined period which does not exceed 75 years, but if conditions or the small acreage of a type make this clearly impracticable, a longer adjustment period will be acceptable. In order to make continuous progress toward adjustment goals, the purchaser will be required to: (1) Regulate his cutting annually or by not more than 5-year periods to a sustained-yield allowable cut calculated by him and approved by the Forest Service, United States Department of Agriculture; and (2) prescribe, schedule, and carry out approved forestry measures and practices such as are set forth in the specifications which follow.

B. SPECIFICATIONS

1. Commercial forest land in a unit shall be managed for the sustained-yield production of forest products such as saw logs, pulpwood, or poles. Commercial forest land shall consist of the acreage classified as such in the survey conducted at the direction of the Management Specialists employed under the Termination Act; provided, that in any subsequent reinventory of forest resources conducted by the purchaser during the 75-year period commercial forest land shall be classified under applicable definitions then used in eastern Oregon by the Forest Service, United States Department of Agriculture.

2. To assure maintaining or building up growing stock, purchasers will be required to apply forestry practices which afford opportunities for prompt natural restocking with trees of desirable species. Accordingly, the purchaser's choice of silvicultural systems must meet the approval of the Chief, Forest Service, United States Department of Agriculture. Either even-aged or uneven-aged silviculture may be practiced.

Not more than 5 years will be allowed for natural regeneration of areas on which reduction of stocking takes place during the 75-year period through clear cutting, partial cutting, fire, or other cause. On the 5th year following any such event, a survey will be made and if there is less than 40 percent stocking, seeding, or planting will be done promptly to reforest the areas.

The purchaser will be required to carry out his cutting operations so as to prevent avoidable damage to uncut trees or young growth.

3. The purchaser shall reinventory the forest resources at least once each decade in order to measure progress in sustained-yield management and recompute allowable cut. Such reinventories will employ the latest and best survey techniques available at the time.

4. The purchaser shall control cutting to sustained yield by volume regulation or area regulation, or a combination of both. To make this administratively feasible, 10 percent overcutting in any budget period is authorized provided such overcutting is compensated for by equivalent undercutting in the following budget period. Undercutting also may be made up in the next budget period. Neither overcutting nor undercutting will be carried forward as such in any revision of the sustained-yield plan.

5. The purchaser may at his discretion use the land of a unit for various purposes but he will be required to regulate such use so that it will not unduly interfere with sustained yield of timber or conservation of soil and water.

6. In the conduct of sustained-yield operations and other uses, the purchaser will be required to conserve soil and water resources. Methods of logging employed must not be detrimental to soil and water.

7. The purchaser will be required to keep appropriate permanent records of his sustained-yield operations including a record showing the time, location, acreage, and volume of timber cutting. The purchaser will be required upon request to make such records available to the Chief, Forest Service, United States Department of Agriculture, or to forest officers he may designate. The Chief or his representatives shall have free access to the purchased land for the purpose of checking compliance with the management plan.

8. The rotation period used for the production of the forest products desired by the purchaser must be approved by the Chief, Forest Service, United States Department of Agriculture. The purchaser will be required to closely supervise cutting operations to prevent the avoidable and unnecessary cutting of crop trees less than rotation age.

9. The purchaser will be required to make provision for the protection of forest resources in a unit from fire, insects, diseases, or other forms of damage. The level of such protection shall not be less than that generally afforded other forest land of similar character in eastern Oregon.

10. The purchaser will be permitted to undertake forestry measures or conduct cutting operations only as authorized in the sustained-yield plan prepared by him and approved by the Chief, Forest Service, United States Department of Agriculture. Two or more units of Klamath tribal land purchased may be included in one management plan, but other privately owned forest holdings may not be included.

A sample plan has been prepared to illustrate the application of specifications and minimum requirements. Interested persons may obtain copies from the Regional Forester, Forest Service, United States Department of Agriculture, Portland, Oreg., or the area director, Bureau of Indian Affairs, United States Department of the Interior, Portland, Oreg.

The approved plan and approved amendments or revisions thereto will be recorded at purchaser's expense in the records of Lake or Klamath County, depending upon the location of the land.

Requirements for the preparation of susatined-yield plans are set forth below in the order in which they should be presented in the plan.

Title page.—Signatures and seal of the purchaser and approval of Chief, Forest Service, United States Department of Agriculture.

Location map.—A letter-sized map of Lake or Klamath County on which are shown the boundaries of the unit.

Summary of plan.—A brief tabular summary outlining the main features of the plan.

Cutting budget and control record.—The cutting budget will set forth the sustained-yield allowable cut and authorized overcutting exceptions thereto, including the method of compensating for undercutting and overcutting. Also the location, time, and volume of planned cutting, together with the estimated area to be cut over and the products to be removed will be shown.

This section of the plan will also describe the kind of permanent cutting control record to be kept by the purchaser. This record will show by years the location of actual cutting, area cut over, and volume of products removed.

Objectives of sustained-yield management.—The purchaser's sustained-yield objectives under the required specifications and minimum requirements will be presented in this section of the plan.

Silviculture and logging methods.—In this section of the plan the proposed forestry prescriptions to attain the sustained-yield objectives will be presented. This should be done separately by major forest types. As a minimum, prescriptions discussed in the plan will include: Silvicultural systems, marking guides, logging methods, reforestation, and timber-stand improvement.

Forest protection.—Methods of protecting forest values from fire, insects, diseases, or other forms of damage will be outlined in this section of the plan.

Cooperative arrangements should be described.

Practices to be followed in the disposal of logging slash and snags should be described in detail.

The kinds of insects and diseases likely to cause damage should be listed. Sanitation measures designed to be used under endemic conditions will be set forth. Cooperative arrangements for dealing with epidemic conditions will be described.

Plans for control of avoidable damage to soil and water resources should be included.

Calculation of allowable cut.—This section of the plan will be devoted to derivation of allowable cut on an annual or 5-year periodic basis. Allowable cut should be derived for each major timber type present. The methods or formulas used in calculating allowable cut should be stated clearly. The calculation of allowable cut should be shown in detail and the basis for selecting rotation and cutting cycle should be fully stated. In some instances it may be necessary to prove how the calculations would work out by subjecting the allowable cut to an area-volume check.

Revision of inventory and management plan.—The plan should chart the general program of management to be followed during the entire 75-year period but will provide detailed prescriptions for only the first decade. Recognizing the difficulty of making firm plans for forestry practices and controlled cutting covering a 75-year period, plans shall cover a decade at a time. On such a basis, provision should be made in the plan for its revision each decade to embrace new inventory data and changed circumstances. Also the plan should make provision for emergency reinventory and revision at any time for the balance of a decade to meet catastrophic events resulting from fire, insects, or other causes. All such periodic or emergency revisions will be submitted to the Forest Service for approval.

Periodic reinventories should be scheduled at not less than 10-year intervals.

Amendments to the plan.—The plan should provide for minor amendments to keep it current during the periods between the decennial or emergency revisions. Allowable cut, however, shall be recalculated only at the time of the decennial or emergency revisions.

Other land uses.—In this section other kinds of land uses contemplated should be described. The purchaser's plan for regulating these uses so they will not unduly interfere with his sustained-yield timber management will be stated.

Appendix.—Inventory summaries, technical data, copies of pertinent statutes, etc., which are too bulky to include in the body of the plan may be placed in an appendix for handy reference.

Mr. WOLF. Could you also give us a statement on the losses that might occur to the Federal and local government if Public Law 587 is not amended by virtue of the impact on the national forest operation in that area?

Mr. CRAFTS. We will try to make an estimate of it.

Mr. WOLF. We realize it will be your best estimate.

(The following information was subsequently submitted by Mr. Crafts:)

There are many uncertainties involved in making a forecast of this kind. Necessarily a number of assumptions must be made.

Under Public Law 587, the management specialists are directed to sell sufficient Klamath Indian tribal property by August 13, 1960, to pay withdrawing tribe members their pro rata share of the assets in cash. There are indications that as many as 70 percent of the members might withdraw from the tribe. Assuming that this many do withdraw, over 3.3 billion board-feet of sawtimber (mainly ponderosa pine) and over 1.4 million cords of pulpwood (mainly lodgepole pine) would need to be sold. Since this resource would be sold without sustained-yield restrictions, it might be assumed that it would be liquidated and, in the process, made available to the same milling centers to which timber from neighboring national forests customarily moves. Thus, the timber-sale business on the national forests would tend to become depressed through a saturation of markets and mill capacity. We judge that the sale business on at least four neighboring national forests would be directly affected by liquidation of the Indian timber. These are the Rogue River, Deschutes, and Fremont National Forests in Oregon and the Modoc in California. These forests lie in 7 Oregon counties and 3 California counties.

Financial impact on the national forests would be reflected in reduced timber sale receipts to the Federal Treasury. Such an impact would, in turn, result in a reduction in the amount of funds returned to local levels out of national forest receipts. There would be a reduction in the payments whereunder 25 percent of the receipts of each national forest are paid to the States for the benefit of public schools and public roads of the counties in which the national forests are situated.

In order to evaluate the impact of national-forest operations in terms of losses to the Federal and local Government it is necessary to assume a period over which the Indian timber might be liquidated. It seems reasonable that such liquidation could be carried out in a 10-year period, beginning in 1960. During that period it is estimated, if present trends in national-forest sale programs continue, some 4 billion board-feet of sawtimber and pulpwood would be cut on the 4 neighboring forests. But if the Indian timber is liquidated during the period it is assumed the cut on the national forests would be reduced to 1.9 billion board-feet of sawtimber and pulpwood. Such assumption takes into account allowances for utilization of mill capacity not now being used, for installation of some new capacity, and for capacity now normally supplied by Indian timber. Based on these assumptions and present timber values, revenue losses for the 10-year period are estimated as follows:

Gross loss in Federal receipts	$49,700,000
Loss in 25 percent share for roads and schools of 7 Oregon and 3 California counties	12,425,000

Mr. WOLF. There is one other question I have relating to the proposed units up here.

Why does unit J, for example, have that finger coming down on the northwest side of the marsh? Why is not that land in H, so that you have a more solid block and it is less of a problem for the operator who gets the J unit to manage it? Why does the F unit have that separation? Why is there the tail on the F and I units?

Why are not these units more regular and compact? Why doesn't the marsh area include a little of the boundary there on the eastern side in order to assure better management of the marsh?

Could you tell us roughly what was involved in this?

Mr. CRAFTS. No, Mr. Wolf, I cannot answer any of those questions.

The way these units were drawn was that the two departments here in Washington agreed on certain criteria to be followed in drawing those units and those criteria were sent to our respective regional offices in Oregon and our representatives there for Agriculture and representatives of Interior got together on the ground and these units were drawn on the ground at Klamath Falls following these general cri-

teria, and I do not know the specific reason for the individual boundaries, or the answer to the questions you have asked.

Mr. WOLF. Just thinking back to some of your experience in land management with checkerboards and fingers of national forests here and there, do you think it would be desirable to have a little better blockage and not have fingers and tails sticking out here and there.

Mr. CRAFTS. I would hesitate to make a statement on that. It could well be that what appears to be fingers and tails on a map of that type may be controlled by topography and by availability to roads and other factors that you do not see on this map.

Senator NEUBERGER. I have been over that area. There are lots of ridges and valleys and gorges and so on that could account for the terrain.

Mr. CRAFTS. That is possible. That may be the reason.

Senator NEUBERGER. One thing I would like to ask with respect to these various blocks that Mr. Wolf has just brought up is this: What, again, are the units that Secretary Chilson suggested would be reserved for that tentative 25 percent or 30 percent of the tribe which would elect to remain in communal status?

Mr. WOLF. It is this unit and this unit.

Senator NEUBERGER. You had better designate them by number.

Mr. WOLF. They are the unnumbered units on the map.

Senator NEUBERGER. I would like to ask Mr. Crafts and the Secretary, of course, but I thought Mr. Crafts might better have the answer to this, How was it determined which timber would be left to that portion of the tribe which decided to stay in communal or tribal status, and those blocks which would be put up for sale to private buyers?

Mr. CRAFTS. I think, Senator, that that question could better be answered by the Department of Interior rather than by Agriculture.

Senator NEUBERGER. Do you have the answer to that?

Mr. LEE. Mr. Shanklin.

Mr. SHANKLIN. The area that is designated to be retained by the tribe and set up by the Management Specialists in the plan of management.

Senator NEUBERGER. Mr. Earle Wilcox is at the table. He is forester for the Management Specialists.

Mr. Wilcox, how was it determined which area of the forest would be retained by that portion of the tribe who stayed on and which area would be put up for sale?

Mr. WILCOX. The areas selected were generally those areas which had the highest growth potential. The growth of timber on the basic management area is somewhat higher than the average for the reservation as a whole. By selecting the areas with the greatest growth potential, we were able to assure a higher sustained yield cut for the remaining members than they would have had if we had taken the average for reservation timberlands.

Senator NEUBERGER. Thank you very much. That is a very good explanation.

Mr. Wolf, do you have any more questions of the Secretary?

Mr. WOLF. No, Mr. Chairman.

Senator NEUBERGER. Are there any further questions?

Mr. Secretary, we very much appreciate you and your associates being here. We have confidence in the United States Forest Service

and we feel sure that whatever portion of this reservation, if any, is turned over to the Forest Service for its custodianship will receive the usual faithful management that the Forest Service gives to its properties.

Mr. PETERSON. Thank you, Mr. Chairman.

We, too, have a great deal of confidence in our Forest Service.

Senator NEUBERGER. Our next witnesses today, and I suggest that after the Secretary leaves they come around on the other side of the table, will be the representatives of the Special Legislative Interim Committee of the State of Oregon. They are State Senator Leander Quiring of Umatilla County, Oreg., and Mr. David C. Epps, of Linn County, Oreg. They have come a long way to be with us.

We are very pleased that the State government of Oregon takes this interest in a problem that is so important to the whole State of Oregon and indeed of the entire Pacific Northwest.

It is my understanding, if I am not mistaken, that Senator Quiring has a statement which he will read on behalf of the entire interim committee, and Mr. Epps has a letter which he will read from the Governor of the State of Oregon, the Honorable Robert D. Holmes.

Am I correct in that?

Mr. QUIRING. That is correct, Mr. Chairman.

Senator NEUBERGER. Mr. Quiring, we will be glad to hear your statement.

STATEMENT OF STATE SENATOR LEANDER QUIRING, CHAIRMAN, OREGON LEGISLATIVE INTERIM COMMITTEE ON INDIAN PROBLEMS

Mr. QUIRING. Senator Neuberger, we bring greetings to you and to members of your committee.

We feel we live in a great State even though periodically we do cause you extra work in Washington, but we are proud of our State and we will continue to feel that way.

With your indulgence, I would like to read this report. It was prepared prior to Mr. Epps and myself coming to Washington, and it is more or less the consensus of opinion that this committee arrived at just prior to coming to Washington.

My name is Leander Quiring. My home is in Hermiston, Oreg., near the famed roundup city of Pendleton in the Second Congressional district where the Klamath Reservation is located.

I have come here as chairman of the Oregon Legislative Interim Committee on Indian Problems—a committee created at the regular 1957 session of the Oregon Assembly, largely because of the concern of senators and representatives alike, Democrat and Republican alike, over the Klamath Reservation termination dilemma.

If your committee will kindly acquiesce, I hope this can be considered a joint appearance by myself, as chairman, and Mr. Dave Epps, of Sweet Home, Oreg., one of our committee's most active and influential members. Mr. Epps is representing both the committee and the Honorable Robert D. Holmes, Governor of Oregon, here today.

Mr. Epps is a successful furniture dealer and a former basketball and baseball star at the University of Oregon, who recently was elected chairman of the State Democratic central committee. And, Governor Holmes, of course, is also a Democrat.

I am the former publisher of a weekly newspaper, and a Republican. and I mention these party affiliations merely by way of indicating that Oregon Democrats and Republicans stand shoulder to shoulder in the quest for solutions to the grave Klamath termination issue.

Our bipartisan committee, its members hailing from all parts of the State and including businessmen, a minister, a lawyer, a labor-union member and a farmer, is convinced that an acceptable form of Federal purchase holds the key to any termination solution that is to stand a chance of success.

And we entertain an equally firm conviction that the attitude that Federal purchase is a goal to be sought by hat-in-hand supplicants is as damaging as it is ill-founded.

Quite to the contrary, there is evidence to warrant a positive approach to Congress. Here, in short, is an opportunity for the Federal Government to terminate an otherwise perpetual obligation to its wards on the Klamath Reservation and to gain possession of a property of such enduring value that the termination may prove eventually to have been achieved at relatively slight expense to the American taxpayer.

This conclusion by our committee is based in part on inferences to be drawn from the highly authoritative timber resources review of the United States Forest Service.

Item:

Looking ahead 25 to 50 years, there are real probabilities that the use of wood for industrial raw material is still in its youthful stage of development.

Item:

The projections indicate a potential demand for 14,289 million cubic feet by 1975 and 21,009 by the year 2000. This would be an increase of 105.2 percent during the period 1952–2000.

Item:

The probable annual requirements for new dwelling units, both farm and nonfare, are as follows:

Period:	*Thousand units*
1960–64	1,600
1965–69	1,900
1970–74	2,200
1975–2000	2,400

Item:

The encouraging increase in annual growth, which has been among the significant developments in the timber situation in recent years, would not carry beyond 1975 under the impact of the increasing cut. After that time, annual growth of both sawtimber and growing stock would turn sharply downward. By 2000, anual growth, 25 billion feet, would be less than one-fourth of the assumed cut.

Item:

For western species, annual growth would continue to increase until 1985. After that time, the drop in sawtimber growth would be rapid.

Thus, a thoroughly competent source, the Timber Resources Review of the United States Forest Service, forecasts a sharply appreciated book value for America's forests in the next half century.

The 750,000-acre Klamath Reservation forest is no ordinary stand of timber. By all measurements, it is the greatest ponderosa pine forest left in the Pacific Northwest, and the trees to furnish the accelerated needs of 1980, 1990, and 2000 and beyond are growing there

today, in an area strategically located to serve a vast region where the population expansion will continue by leaps and bounds far, far into the future.

But please remember, gentlemen, this is the Klamath Indians' asset, not ours. And we owe the Klamaths the common-law duty of getting them the fairest possible price for their tribal property.

Lewis Meriam's authoritative report, The problem of Indian Administration, held that:

> It is a sound policy of national economy to make generous expenditures in the next few decades with the object of winding up the national administration of Indian affairs.

Mr. Meriam expressed that belief three decades ago, probably little realizing that in Oregon in far off 1958 the Federal Government could take a long step toward that object by making "generous expenditures" that the passing of time would turn into a solid business investment.

True, the State of Oregon has a vital stake in these termination proceedings, which, I might add parenthetically, is why Mr. Epps and I are traveling more than 5,000 miles to make this appearance today.

This is Oregon's problem in the sense that it directly involves some 2,100 Indian residents of the State, that it indirectly affects the economy of many times that number of the State's non-Indian residents, that it poses a threat to a great timber resource and to a substantial segment of the State's No. 1 industry, and that it could reduce county Government in south central Oregon to a condition of near insolvency.

These, as you know, would be the consequences if the Klamath's timber were clear-cut and dumped on the market in a period of less than 2 years, as presently provided in Public Law 587. But, although the problem's locale is in Oregon and Oregon would bear the brunt of these consequences, Oregon cannot see its way, as a State, to financing purchase of the Klamath Reservation, no matter how sanguine an invest such a transaction might prove to be.

The reason is simple: the indicated cost of the tribal property that may be approved for sale by the individual members could well equal the State of Oregon's entire general fund appropriations for the last fiscal year. Moreover, Oregon's tax revenues are in an uncertain position, since the State has been hit extremely hard by the recession. A third factor militating against State purchase is the question of whether or not the addition of a third bond measure to the two already on the November State ballot would confuse some voters, and perhaps arouse many others, to the detriment of all the bond measures on the ballot.

Wholly aside from these considerations, the United States Government now has both the duty and the right to purchase the Klamath Reservation forest and the 15,689-acre tribal marshland, the latter to be operated as a refuge by the United States Fish and Wildlife Service.

Public Law 587 makes it possible for the Federal Government to avail itself of an opportunity to terminate what might otherwise be a never-ending trusteeship obligation to the Klamaths.

If termination is even to begin to become a fact, however, there must be the ironclad assurance that (1) the Klamath Indians receive everything that is coming to them for their tribal property; and (2) that the Klamaths' forest continues under sustained-yield management.

S. 2047 would secure both these ends, in addition to guaranteeing wise protection and development, in the public interest, of the reservation's considerable wildlife, grazing, recreation, and water conservation resources. The Oregon interim committee decided by unanimous vote at regular meeting in Portland, December 18, 1957, to throw its support behind the principle embodied in S. 2047.

Since that time the Secretaries of the Interior and Agriculture have proposed a somewhat different amendment to Public Law 587. In their bill, S. 3051, the Secretaries recommend that the Klamaths' forest be acquired by the Federal Government, unless it can be sold first to private purchasers who would agree to adhere to sustained-yield management practices for not less than 75 years.

Our interim committee has not subjected S. 3051 to a searching legal analysis, but we are agreed that, in broad practical application, it may not be very much different from S. 2047.

S. 3051 proposes sale of appropriate units of Indian timber to private interests on a competitive basis, provided the buyer agrees to sustained-yield management and pays no less than "the realization value of the units involved."

As a practical matter, even the largest private operator cannot afford to pay the realization value of timber to be managed on a sustained-yield basis. And another thing: A $3 million initial expenditure, say, for a block of timber to be subjected to sustained-yield management would provide only 20 percent of the cutting needs of a medium-sized operator.

So, one would not be reckless in assuming there will be no private bidders if S. 3051 is enacted in its present form.

We respectfully submit that, in the committee's opinion, there are these other problems posed in S. 3051:

1. The provision that residual timberlands available for sale to nonmembers shall be offered first to the Secretary of Agriculture, who shall then have 12 months in which to purchase such lands, seems to constitute an unfair discrimination against the Indians who vote against withdrawal.

This requirement appears to be so cumbersome and restrictive as to interfere with the sustained-yield process and to limit the prospects for the culmination of any sale of such timberlands not made to the Secretary of Agriculture.

2. Since the termination procedure involves a crop that takes as long as 300 years to grow from seedling to prime commercial forest—now, this 300 years was Leroy Gienger's figure. I am not sure that is correct, but he has lived down there at Chilaquin. He felt it took 300 years for a tree to grow from a seedling to a big tall tree.

Senator NEUBERGER. The representative of the Indians Affairs Bureau says 120 years, but I do not think that ponderosa pine 120 years old is the majestic full-grown ponderosa pine that we see up there on the plateau.

What about that, Mr. Wilcox?

Mr. WILCOX. That is right. The old overmatured trees will be 300, 350 years old. The trees grown under management, growing to rotation age, will be somewhere between 120 and 150 years of age.

Mr. QUIRING. I may have to pay off a bet when I get back because I argued with Mr. Gienger that a mature tree was 300 years old.

Anyway, since the termination procedure involves a crop that takes as long as 300 years to grow from seedlings to prime commercial forest, it is questioned that a sustained-yield covenant of "not less than 75 years" duration is realistic.

3. If the interim committee is wrong in its estimate that no private operator can afford to buy under terms of S. 3051, then what happens to the hunting and fishing rights on the lands conveyed to the private purchaser?

4. It would appear next to impossible to protect with any degree of accuracy what would happen to timber prices in the Klamath Basin—

if as much as 70 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 b of this act, as amended, without limitations on use.

In other words, does anyone know from experience what the result would be if 3 billion board-feet of timber were dumped on the market in a relatively few months? Is there any known method of making an even semiaccurate determination under the requirements of this part of S. 3051?

5. A commonsense assumption would seem to be, however, that the precipitous introduction in open market of a forest that supplies 26 percent of the cutting needs of a substantial part of Oregon's lumber industry would drive prices down sharply.

If already depressed prices are further depressed in the formula in S. 3051 for arriving at realization value, is the Indian going to be adequately compensated?

Now when the United States Government is on the threshold of an opportunity to divest itself of a continuing obligation, and to do so without requiring onerous out-of-pocket taxpayer sacrifices in the long run, the thoughtful consideration of price is a necessity of the most urgent nature.

Such consideration should by all means make allowances for the intangible, but substantial, benefits accruing to the Federal Government from the opportunity to conclude this treaty obligation and take a successful first step in a termination proceeding which this entire Nation, and the Communist propaganda manufacturers, are watching closely.

The Indian trusteeship termination policy of the Federal Government is undergoing its basic test in the current termination programs on the Klamath and Menominee Reservations. The future course of that policy may be influenced, in considerable measure, by results of the Klamath experience.

Mr. Epps and I need not tell you, either, that the Klamaths' termination problems are extraordinarily complex. You are aware of the state of ambiguity existing in relation to tribal hunting, fishing, water and mineral right, for which the appraisal provides no compensation.

You are aware of the impossible alternatives facing the tribal members in their election: Either to vote to withdraw in the hope that, someday, someone might pay you the share you've got coming, or to vote not to withdraw, thus qualifying for membership in a nebulous management entity, the like of which you've never experienced before.

The Meriam study report, The Problem of Indian Administration, delineated the 1958 dilemma 30 years ago when it discussed the Klamath situation in these words:

> Neither the allotment of the timberlands nor their sale in total appear to offer a solution. The present policy of the gradual sale of timber and distribution of the proceeds in per capita payments is objectionable because of the small doles are consumed in living expenses.

Disregarding the unfortunate use of the word "doles," the personal complications described by Meriam have been compounded by a tremendous increase in per capitas, with most adverse social consequences resulting for the Klamaths, i. e., the resistance to education and the fearfully high percentage of broken homes.

The Oregon Interim Committee on Indian Problems feels, with regard to Klamath Reservation termination, you cannot afford not to do it, but the process must give clearer recognition to the validity of certain related problems, such as water and hunting and fishing rights. Still involved are many loose ends and uncertainties that point to the need to slowing down as we feel our way along, so that this pilot operation, so to speak, does not jeopardize our Nation's entire future termination plans.

We want to make it plain that our committee feels, however, there can be no successful termination of the Klamath trusteeship without a fair Federal payment to the Indians for their property.

We are not opposed to the Seaton bill and are disposed favorably toward the Neuberger bill. It is not that black and white. Our committee is for everything in both bills that will bring about a realistic acquisition program which does not forget, that, among other things, the Klamaths have subsidized the white man's economy by permitting the sustained-yield program to stay in force on their reservation.

At out-of-pocket sacrifice the Indians have preserved of the America's finest stands of pine timber.

Our committee is not concerned, procedurally, with how the United States Government assures the Klamaths of just compensation. We are on record with a vote favoring the Federal purchase principle in the Neuberger bill, but it seems to be there, also, in the Seaton bill. We are on record as being hopeful that any settlement involving United States bonds will utilize negotiable, interest-bearing bonds.

Those, however, are details for the Congress and the administration to churn around and finally put into their proper places.

We are here today simply to express our conviction that United States purchase potentially is the only answer, and the only realistic beginning, to a proper termination procedure.

We are convinced, as we said, the United States Government and the Klamaths can come out well on such a purchase, both in a humanitarian and a financial sense.

Our committee will be watching all developments bearing on the outcome of these hearings. We feel it our duty, not only to cooperate with all interested persons and agencies during the termination process, but we owe it to all Oregonians, and to the spirit of fair play and

justice, to resist any action that will either deprive the Indians of their rights or tend to undermine the economy of Oregon.

Thank you very much, Mr. Chairman.

Senator NEUBERGER. Thank you, Senator Quiring, for that very thorough and excellent statement.

Before we ask any questions, I think we ought to have Mr. Epps read the letter which he has brought us from the Governor of Oregon.

STATEMENT OF DAVID C. EPPS, LINN COUNTY, OREG.

Mr. EPPS. Mr. Chairman, before reading the letter from our honorable Gov. Robert D. Holmes, I would like to make several comments.

First, the treatment here in Washington has been wonderful for both Lee and myself. We had the pleasure of attending a basketball game last night between Furman and George Washington University. George Washington University is coached by Bill Rinehart, who was my coach at the University of Oregon many years ago. He is a man I have always looked up to, only as a man can, playing ball for a coach that he thinks is the greatest man in the world.

Last night Lee, who had played ball against Billy Rinehart's team, and I, who had played ball with Bill, both baseball and basketball, in fact one time against the University of California for the coast championship, we loved it. It was a wonderful time and I have never had a more enjoyable evening in my life.

Senator NEUBERGER. We are pleased that the hospitality here has been almost as successful as the hospitality offered in Oregon.

Mr. EPPS. I have been struck by the bipartisan nature of the requests from the Government to change the policy regarding the Klamath Indian Reservation.

I would like to say that for the first time in the history of Oregon, a committee representing the State has been headed by a member of the minority party, and we also hired as our executive secretary a member of the United Republican Party that still is a minority party.

I want you to feel that we are so united that we are staying together and we like each other.

Senator NEUBERGER. We are glad to know you are not only bipartisan, but the Republican Party is also a minority party.

Mr. EPPS. One other point I would like to make is that the wonderful spirit of cooperation being shown by the administration along with Senator Neuberger has been noticeable. I feel very happy because I realize that we are getting together on this, we are thinking about what is going to be good for Oregon, good for the Indians, and good for our whole area. I am very happy about that.

Now, the fourth point I would like to make is that the colorful, many times brilliant, testimony made by our Indian neighbors in Oregon at hearings both in Portland, Salem, and Klamath Falls, is something I will never forget.

It happens in my little town of Sweet Home, we have many Indian families that have moved in and have integrated with our other people. The Indian people, I would say sincerely, have been superior. We are very fortunate to have them with us.

I hope better days are coming ahead when these so-called Indians' problems will disappear and the Indian people will take their rightful place as leaders in our own community.

Senator NEUBERGER. Thank you very much for that excellent statement in which I concur.

Mr. EPPS. The letter reads as follows:

STATE OF OREGON,
EXECUTIVE DEPARTMENT,
Salem, Oreg., January 30, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Office Building, Washington, D. C.

DEAR DICK: When this administration came into office on January 14, 1957, we were confronted immediately with chaos resulting from the passage of Public Law 587. In an effort to get an unbiased statistical report on the effects of the terminating of the Klamath Reservation, I recommended that our legislature appoint an interim committee to study Indian problems in Oregon. This committee was appointed and they have made a comprehensive study of the implications and ramifications of the Klamath termination act. I have called on other key State people to examine the consequences if Public Law 587 were carried out as written. I have used every resource at my command to find out how this termination act would affect the Klamath people, the county where they reside, and the State of Oregon.

Our statistics show that 40 percent of the Klamath Basin's economy is based on timber production and 26 percent of the total commercial forest is reservation timber. The Klamath Reservation today is comprised of an area of 940,410 acres of which 695,000 acres are classified as commercial forest land. The forest contains some 4,600 million board-feet of timber. There is also a vast supply of commercial pulpwood on 145,200 acres. The economy of the area depends on keeping the reservation timber on a sustained yield. The great Klamath marsh is the most important marsh to waterfowl that is left unprotected in the Nation. Waterfowl by the millions pour into the upper Klamath Basin to rest and feed before continuing their flight. The reservation is a year-around haven for deer and other wild creatures, and streams abound with fish. The great watershed of the Klamath Basin area is of inestimable value. The reservation holds the key to the greatest natural resources left in Oregon.

A study of the records indicate that there were 2,133 Indians on the rolls as of August 13, 1954. An analysis of these statistics shows that 50 percent of this group are 21 years of age or under. A closer look reveals that over 400 Indians live outside of Oregon and another 300 live in Oregon outside the reservation and Klamath County. Out of the entire group we find only 351 full-blooded Indians. We also note that in 75.8 percent of the marriages the spouse is non-Indian. Thus, we find that there are all kinds of Indians of various degrees of Indian blood living throughout the United States. We find no true Klamath Indian Tribe.

A careful analysis of the facts at hand points out two immediate problems; the first is sociological and the second is economic. My first concern is how termination will affect the Indians. I have endeavored to find out what the Indians want, but find no unanimity of opinion among the Indian people. Some of the elected representatives of the tribe have diametrically opposite views as to what action should be taken. I am in no posiiton to say what the Klamath people want, nor am I in a position to say what is best for them. However, since the die is cast and termination is here, it is the inherent duty of all of us to see that the Indians get the fair market value of their tribal estate. Every safeguard must be set up to protect the rights of minors, and those incapable of handling their own affairs. My second concern is how to protect the economy of the surrounding area. Forestry people agree unanimously that the only way this can be done is by keeping the timber in one block, under one management, so that it can be cut on a sustained yield.

After carefully examining all the proposals that have been made so far, I find that S. 2047 is the best answer to this perplexing problem. S. 2047 has been endorsed by the Oregon Interim Committee on Indian Affairs, the Klamath Executive Committee, the Management Specialists, forestry organizations, labor, most leading newspapers, and almost all social and political groups. S. 2047 would provide for the Federal Government to purchase the tribal lands at fair market value, thus protecting the equity of the Indians. The timberland would be transferred to, and administered by, the Forest Service, thus assuring sustained yield and preserving this great natural resource. The 70,000-acre marsh

would be administered by the Fish and Wildlife Service, thus preserving and improving this great waterfowl refuge.

The great Klamath timberlands must be preserved for future generations and for protection of the economy of the area. The great bird refuge potential must be realized. The future needs of water power and irrigation in southern Oregon and northern California must be guaranteed by protection of the watershed. And the great scenic and recreational value of this area must be considered.

I feel that it is my responsibility to make every effort to protect the rights and equity of the Klamath people and to safeguard the economy of the reservation area and the rest of the State. There is no alternative to Government purchase of the reservation. In my considered judgment the only way I can discharge my responsibility is to urge your committee to support S. 2047.

Sincerely yours,

ROBERT D. HOLMES, *Governor.*

Thank you, Mr. Chairman.

Senator NEUBERGER. Thank you very much, Mr. Epps.

I wonder if it would be all right if we take a very short recess of 4 or 5 minutes to give the reporter a little bit of rest, and then we will have some questions of the 2 representatives of the State of Oregon, and after that we will hear from Senator Morse, the distinguished Senator from the State of Oregon.

(A short recess was taken.)

Senator NEUBERGER. I want to thank you, Senator Quiring, for that excellent statement, and also Mr. Epps for reading that fine letter in behalf of Governor Holmes of the State of Oregon.

I think some of the questions raised in Senator Quiring's testimony are most useful and I believe that our friends from the Indian Affairs Bureau should perhaps help answer some of the points that were raised by Senator Quiring on behalf of the Oregon State Legislative Interim Committee.

Mr. Lee, do you and your associates have copies of Senator Quiring's testimony?

Mr. LEE. No, we do not.

Senator NEUBERGER. We have some for you.

I would like you to note the questions raised by Senator Quiring of the Oregon State Interim Legislative Committee. Point 1 is:

> The provision that residual timberlands available for sale to nonmembers shall be offered first to the Secretary of Agriculture—who shall then have 12 months in which to purchase such lands—seems to constitute an unfair discrimination against the Indians who vote against withdrawal. This requirement appears to be so cumbersome and restrictive as to interfere with the sustained-yield process and to limit the prospects for the culmination of any sale of such timberlands not made to the Secretary of Agriculture.

What is your answer on that, Mr. Lee, or any of your associates who care to answer it?

Mr. SHANKLIN. Mr. Chairman, I am not certain that I follow the question. But I gather they are referring to the fact that if the tribal entity that remains desires to withdraw from the trusteeship and wishes to break up the property which has been withheld for them, that the Secretary of Agriculture shall have first refusal.

I believe that is the provision they are referring to there. The proposed trusteeship, which is still in the proposal form, provides that the Secretary of Interior shall transfer this property which the nonwithdrawing Indians wish to be transferred to a trustee, who may be a bank or trust company. It further provides that no change in the trustee can be carried out for at least 5 years. At the end of 5 years, those Indians in that particular group may vote to abolish or terminate that trusteeship.

At that point, it is conceivable that the sustained-yield management of those lands might be in jeopardy. The provision in S. 3051 provides that the Secretary of Agriculture at that point shall have the opportunity of buying those lands as a portion of the national forest.

I do not follow why this constitutes an unfair discrimination against the Indians. They would be offered undoubtedly at that time the fair market value for their property. So, in my opinion, I do not believe it is unfair to the Indians.

Senator NEUBERGER. Thank you very much.

I am going to skip point No. 2 because that was discussed by the Secretary yesterday when Mr. Wolf and I were interrogating him, and go to point 3.

What are your comments regarding those hunting and fishing rights?

STATEMENT OF LEWIS A. SIGLER, SOLICITOR'S OFFICE, DEPARTMENT OF THE INTERIOR

Mr. SIGLER. Mr. Chairman, perhaps I can answer that.

Hunting and fishing rights have been the subject of much controversy over the years. The existing Termination Act that is on the statute books preserves whatever fishing rights the Indians may have. Now I am speaking in general terms.

The hunting and fishing rights of the Indians apply to the land that they own. When they sell those lands, they normally do not retain hunting and fishing rights on the land that they sell.

So I think the specific answer to this question would be that if the lands are sold, the Indians will cease to have hunting and fishing rights on those lands. It is immaterial whether the purchaser is a private purchaser or the Federal Government. In either event, the purchaser will acquire the complete title to the land and the Indians, by selling the land, will be selling whatever hunting and fishing rights they may have.

Senator NEUBERGER. In other words, whether these lands are acquired by the United States Forest Service or by presently unknown lumber companies, on those lands the Indians will have no hunting or fishing rights superior to any other citizen of the United States.

Mr. SIGLER. That is my judgment as a general proposition. I want to emphasize, though, that if the Indians have by treaty some fishing rights that would carry over after they have sold their lands, those rights are preserved. I do not know whether they have such rights. I rather doubt that they do.

Senator NEUBERGER. Will you examine whatever treaties pertain to the Klamath Nation or any of the Modocs that were in this area and so on, and see whether they are alive and give us a statement for the record on this, because I think it is a valid question that has been raised in Senator Quiring's testimony, and that the Department ought to answer it.

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Mr. SIGLER. I shall be glad to provide a statement. I do not think I can give you a definitive answer. That subject is a controversial one and there is no real way of knowing.

Senator NEUBERGER. Will you do the best you can regarding this?

Mr. SIGLER. Yes.

Mr. QUIRING. Sitting here at this table, that item does not seem very important, but when you live in that area there is a terrific conflict between these sportsmen's gronps and these Indians involving this question, and I think the question should be answered sooner or later.

Senator NEUBERGER. I am certain it should, and I think it is a very valid point you have raised.

(The material requested appears on p. 491.)

Mr. WOLF. Mr. Sigler, do you think it would affect prospective bidders if they knew that the Klamath people would continue to have hunting and fishing rights on the lands they were acquiring?

Mr. SIGLER. I am sure it would. I have just told you my guess is that the Klamath Indians will not have continuing rights under the normal sales program.

Mr. WOLF. You can appreciate it might be a factor affecting whether someone might want to buy or not if they could not control the ingress and egress of hunters and fishermen who might cause fires.

Mr. SIGLER. Of course. But what I am pointing out to you, under the present termination act the problem is the same as the one that is posed here. It does not matter whether the purchaser is the Federal Government or a private purchaser.

Senator NEUBERGER. Points 4 and 5 I am going to let the people from the Department answer, too. I will not read them over again in the interest of saving time.

Mr. SHANKLIN. Mr. Chairman, in trying to answer Nos. 4 and 5, we would have to say, of course, that when you have an appraisal made of any property, you are buying an opinion as to what the price may be under the circumstances under which you are trying to sell.

I will say to the State representatives that probably there is not any guaranty that can be made by any individnal that a value arrived at by competent appraisers is actually right to the dollar until you test it on the market.

Mr. SIGLER. Mr. Chairman, might I add to that the realization value that has been given to us by the appraisal firm, and for which a substantial amount of money has been paid, represents the appraisers' best judgment of the price, the realization value or the price that would be obtained by marketing 70 percent of the area within a 2-year period. It is their judgment.

Mr. WOLF. Mr. Shanklin, does this price that Secretary Chilson gave us yesterday for the 95 timber units, of $118,391,610, represent a discounted price?

Mr. SHANKLIN. That is a value placed by the appraisers on the property on the basis of which Mr. Chilson gave, the assumptions. namely, that 70 percent of the property would have to be placed on the block in order to meet the interest of the withdrawing tribe within the 2-year sale period, or 21-month sale period.

Mr. WOLF. Did they start with a higher figure and apply a percentage discount?

Mr. SHANKLIN. The property was appraised without regard to size of economic units or without regard to a period of time the sale might

have to be held, and starting with that basis, that particular value will be used for the separation or partition of the property under election. Of course, the appraisers started with that sort of valuation, and by their own methods reduced it to within the terms of this assumption that we have to proceed under.

Mr. WOLF. Do you think it would be desirable for the committee to have the entire figure and the device used in arriving at the realization value before it?

Mr. SHANKLIN. We will be very glad to present that to the committee when it is available. It is not yet available.

Senator NEUBERGER. I understand that.

I would like to ask Mr. Wilcox a question, because we are discussing the value of this timber right at this point.

It is my understanding that Western Timber Services were employed by the Management Specialists to conduct the appraisal; is that true?

Mr. WILCOX. Yes, sir; that is true.

Senator NEUBERGER. Do you as forester with the Management Specialists agree generally with the outcome of that appraisal or not?

Mr. WILCOX. Mr. Chairman, in answer to that question, I should point out that any appraisal is an expression of opinion. The Western Timber Service personnel have expressed their opinion in reports. My views differ substantially from theirs, but my views are my own opinion which, as I said, are not in agreement.

Senator NEUBERGER. You are a trained forester with wide experience on Indian lands, so it is much more than an offhand view?

Mr. WILCOX. Let us go back to Mr. Weyerhaeuser's statement in the October hearing at Portland.

At that time Mr. Weyerhaenser indicated that the liquidation value of the property would probably be worth less than 50 percent of the full retail value of the timber. That was an expression of an opinion which indicated a very substantial discount. The Western Timber Service discount is not nearly as great as that.

My own views come somewhere between the two.

Senator NEUBERGER. In other words, if I interpret you correctly, you believe the Western Timber Service's appraisal of the timber places too high a value? Am I correct or incorrect?

Mr. WILCOX. My own opinion is that the Western Timber Service opinion is substantially higher than my opinion.

Senator NEUBERGER. To me, this is a very significant thing for the whole future of this reservation, because again, if I am not mistaken, you probably have had more experience on the Klamath Indian land than almost any forester in recent years. Would that be a fair statement? Or as much experience, let me say, so that I don't exaggerate.

Mr. WILCOX. Well, sir, I believe that my experience on the reservation is as broad as anyone's at the present time.

Senator NEUBERGER. That has always been my understanding on visits that I have made to Klamath Falls. So if you, from this vast experience, have reached this conclusion regarding the Western Timber Service's appraisal, does this not make it highly unlikely that any private purchaser is going to bid on these 11 blocks at the value placed on it by Western Timber Service?

Mr. WILCOX. It is my opinion that there will probably be no bidders from private industry on any of the blocks when they are put up and given a chance to bid on them.

Senator NEUBERGER. That is your opinion?

Mr. WILCOX. That is my opinion.

Senator NEUBERGER. I would say that is one of the more significant statements we have had in the entire hearing, if not the most significant statement.

Mr. WOLF. Mr. Wilcox, if you were the appraiser and you were not required to go on the basis that the timber would be sold within the time limit provided in section 6 (b) of the act, in other words, if you were asked to appraise it on a basis of orderly liquidation, would your estimate rise or fall?

Mr. WILCOX. If a substantially longer period of time were allowed for the sales, the value per thousand board-feet of timber would be substantially higher. However, being paid out over a longer period of time, that value would have to be discounted to a present value to be truly comparable, and in my opinion would not be too substantially different than the value which the Western Timber Service has.

Senator NEUBERGER. Let me ask you this, Mr. Wilcox.

If your statement is correct, that Western Timber Service has set so high a figure that no private purchaser will bid on these 11 blocks, is it your opinion then that the United States Treasury would be asked to pay too high a price to add this timber to the national forest?

Mr. WILCOX. Mr. Chairman, may I qualify that slightly?

The fact that the Western Timber Service estimated value is higher than my own estimation of value is not necessarily the sole basis why private operators cannot bid a realization price and practice sustained yield management.

We have the Weyerhaeuser statement itself, which specifically states in very simple terms that it is not possible for private operators to pay a liquidation price and operate with sustained yield management restrictions.

Senator NEUBERGER. Mr. Shanklin, what do you think about this? This is the $64 question that has been raised by Mr. Wilcox, or $64,000 question, or even $121 million question. What do you think about this?

Mr. SHANKLIN. Are you asking whether I have an opinion as to the price tag?

Senator NEUBERGER. Yes; do you think that the Western Timber Service's appraisal is too high?

Mr. SHANKLIN. I do not think I can express an opinion in this sense. The Management Specialists, after considerable review, hired reputable appraisers, and that appraisal is now under review. It has not yet been accepted by the Secretary of the Interior.

Senator NEUBERGER. Let me get this straight.

Will you advise the Secretary on this, whether or not to accept this appraisal?

Mr. SHANKLIN. We are at the present time awaiting a report from the Management Specialists on this appraisal.

Senator NEUBERGER. In other words, the Management Specialists have not accepted the appraisal.

Mr. SHANKLIN. The detailed checking has not yet been completed. I was discussing the matter with Mr. Wilcox earlier. We are hoping that the detailed checking can be completed by the middle of February. I expect that it will be, and that the final report of the Management Specialists will be in the hands of the Secretary at least by that time, if not prior to that time.

Again we are confronted with this sort of situation, as Mr. Wilcox indicated, the Western Timber Service's opinion.

The Weyerhaeuser Timber Co. have expressed an opinion openly, too. Mr. Wilcox has an opinion. I should imagine if you asked eight reputable timber appraisers that they would all have different opinions.

Senator NEUBERGER. That is very well, but when this appraisal is approved by the Secretary, it ceases to be an opinion; it is an obligation on the Treasury of the United States if either one of these bills passes. Is that not correct.

Mr. SHANKLIN. That is correct, under the Department bill. I am not so certain that that is true with your bill, sir. I believe that requires another appraisal.

Senator NEUBERGER. I think in effect S. 2047 perhaps may require a little more negotiation, but I think in effect the appraisal accepted by the Secretary of the Interior from the Management Specialists would prevail under S. 2047, too.

That is my opinion, and we are talking about opinions, but I believe that is the case with S. 2047. But there comes a point when this Western Timber Service appraisal ceases to be an opinion, as you have described it, and, in effect, as you say, is a measurement of the obligation on the United States Treasury.

Let me ask you this, first off, because we are certainly uuder the gun as to time: How long will this review take after it comes from the Managament Specialists and goes to the Secretary. I cannot convene the subcommittee to pass finally on these bills until we know the price tag.

Mr. SHANKLIN. I do not think the review will take very long, Mr. Chairman.

Senator NEUBERGER. I think the subcommittee has a right to have on the record, Mr. Shanklin, your opinion of this $117 million price on the timber.

Mr. SHANKLIN. For the record, Mr. Chairman, it will be my recommendation to the Secretary that after the discrepancies have been taken out of the appraisal, which will change it a bit, I am told, that we recommend to the Secretary he accept the realization value.

Senator NEUBERGER. In other words, that you accept the Western Timber Service's appraisal which we have been discussing?

Mr. SHANKLIN. The realization value.

Senator NEUBERGER. You say after the discrepancies have been taken out. How do you expect that to alter the appraisal?

Mr. SHANKLIN. I am not certain whether it is upward or downward. Maybe Mr. Wilcox will help us at this point.

I understand they have found some mathematical errors which will increase or decrease the value by a half-million dollars roughly.

Senator NEUBERGER. That is comparatively little in the total size.

Mr. WILCOX. Yes, sir; it will be a relatively small percentage of the total value. There are some minor details that are being corrected.

Senator NEUBERGER. I think it is very significant that this material be available to the subcommittee and the full committee and the Senate, because we have a situation here where Mr. Wilcox, with his very vast and long experience on the Klamath Reservation, believes, in effect, that the Western Timber Service's appraisal may be too high.

But you are going to recommend to the Secretary that this be accepted after various adjustments have been made so that mathematical accuracy is obtained.

Mr. SHANKLIN. And a full report will be made available to you, Mr. Chairman, and to any committee of Congress, a complete report will be available.

Senator NEUBERGER. The full report will also be available to the Indians, I assume.

Mr. SHANKLIN. To the Indians concurrently.

Senator NEUBERGER. I think this has been very significant testimony.

Do you believe, Mr. Shanklin and Mr. Lee, that Mr. Wilcox is correct in his postive prediction that there will be no bidders forthcoming under this appraisal?

Mr. SHANKLIN. I do not know. His prediction may be 100 percent right.

On the other hand, I have a personal feeling that here is an opportunity for private industry to demonstrate what they have been telling us publicly for some time, that they can manage private lands on a sustained-yield basis. It is barely possible that we might have some bidders. I do not know.

Senator NEUBERGER. Mr. Wolf has one other question.

Mr. WOLF. Mr. Shanklin, is it the Department's major purpose to assure that the price set by the Secretary is fair to the Indians, or do you have some other considerations that are more paramount in your mind than that?

Mr. SHANKLIN. That certainly is a fair assumption, Mr. Wolf. However, my major purpose is not necessarily in this field at all. I mean I was not asked to review the appraisal in the sense in which you are asking the question.

Mr. LEE. I would like to add to that answer.

I think the Secretary has consistently stated that our first obligation was to see that the Indians were treated fairly in this question and he stated that yesterday, he has consistently instructed his staff to that effect, and I think the Department is taking every step necessary to protect the rights of the Indians.

Senator NEUBERGER. And we agree with the Secretary in that respect.

I would just like to ask both Senator Quiring and Mr. Epps just one further question before we turn to Senator Morse.

As you know, I am the only member of this committee from the State of Oregon. We realize our State is most preoccupied with this problem and the most involved. Mr. Epps has presented a letter from the Governor definitely in favor of S. 2047. Senator Quiring has said that the legislative interim committee has endorsed S. 2047 but is not necessarily hostile to S. 3051.

That is a fair summation of your stand, is that correct?

Mr. QUIRING. That is correct.

Senator NEUBERGER. I would like to ask each of you separately this question.

If it seems to be, after consultation with my colleagues on the subcommittee, that S. 2047 cannot be adopted, would it be your impression that I should favor S. 3051, or should permit the existing termination to run its course?

What would be your opinion first, Senator Quiring, as chairman of the Oregion legislative committee?

Mr. QUIRING. I would feel this way: If you feel that S. 2047 could not be passed and you could see it or would look into the matter of making certain changes that I feel are necessary in S. 3051, I feel it would not harm Oregon to support that bill, but I would definitely see to it that there were some changes made in it that would correct some discrepancies.

Senator NEUBERGER. Do you think within the next week you can give me a letter setting forth the views of yourself and the interim committee setting forth what specific changes should be made in S. 3051?

Mr. QUIRING. I believe we can do that. We will call a meeting of our committee immediately upon our return home and we can get a letter back within 10 or 12 days.

Senator NEUBERGER. Mr. Epps, what is your answer?

Mr. EPPS. I agree substantially with what Leander has said.

Senator NEUBERGER. What if it appears, and there is a great deal of money at stake as we know from the appraisal figure submitted, that there is unlikely to be passage of either. S. 2047 or S. 3051 in the Senate, then what course would you recommend?

Mr. QUIRING. Jump off the highest bridge, I presume.

At this time I would not want to venture an answer. I am still hoping that either one of these bills will prevail.

Senator NEUBERGER. Mr. Epps, what would your answer be?

Mr. EPPS. I would ask for postponement for about 100 years.

Senator NEUBERGER. Thank you very, very much. We certainly appreciate both of you gentlemen coming so far to be with us.

We feel this is a very healthy indication of the interest of our State.

Mr. QUIRING. Thank you very kindly, sir.

Senator NEUBERGER. I want to apologize to Senator Morse for delaying him, but I know he shares my desire to show every courtesy to our visitors who have to return very quickly to our State.

I want to express appreciation to Senator Morse for coming here and wish to express my further appreciation to him for the great cooperation he has shown and the great assistance he has been in helping to solve this thorny problem.

Senator Morse.

STATEMENT OF HON. WAYNE MORSE, A UNITED STATES SENATOR FROM THE STATE OF OREGON

Senator MORSE. Mr. Chairman, you have not delayed me at all. I expected to be here during the beginning of the session. I was down getting a passport for an Oregon farmer, but we could not find any birth records.

However, we got the passport and I got up here as fast as I could. I plan to stay until the completion of the hearing this morning.

Senator NEUBERGER. We will be very glad to hear your statement.

Senator MORSE. Mr. Chairman and members of the subcommittee, I appreciate your courtesy in providing me with the opportunity to make a statement before your subcommittee on the Klamath termination program.

At present, we have before the Senate two proposals for solution of the serious and urgent problem that Public Law 587 poses for the Klamath Indian people, the people of Oregon, and the entire Nation.

I shall not have to make a choice until the matter comes before the Senate, but at this juncture I can express my preference and some of my views for your consideration.

I come before you primarily as a citizen who has a deep interest in all of our people in our land, and in the preservation of our great natural resources for posterity.

Under its able chairman, the subcommittee has made a record in hearings conducted during the past 3 years that has afforded all segments of our people an opportunity to know what the problem is, and to come forward with solutions. Federal purchase has received the overwhelming endorsement of the people.

Again, I wish to voice my wholehearted support for S. 2047, and to recommend its enactment with such modifications as you deem appropriate to serve its principal objectives.

If there is developed a sound and effective program for management by these Indians who elect to stay in the tribe, I believe that S. 2047 should be amended to permit them to attain this goal.

However, if the people who lect to continue as tribal owners cannot develop a real program that shows promise of working, I have the following suggestion to offer:

First, let me say that I see no benefit in transferring resource management responsibilities from one trustee, the Government, to another, such as a bank, as has been suggested by the management specialists.

I would respectfully suggest that under the circumstances just mentioned, the entire reservation be acquired by the Government for national forest administration.

We are now apparently all agreed that Public Law 587 is defective. The Secretary of the Interior reported on January 13, 1958, that there is a need—

> to assure the continued sustained-yield management for the part of the Klamath Forest that must be sold to pay the members who withdraw from the tribe, and at the same time to make certain that the Indians receive the fair market value of the part of the forest that is sold.

S. 3051 embodies some concepts which require scrutiny.

I acknowledge that it merits serious consideration, but we should not make the error of accepting it only to find we have been led into a new unsolvable problem.

The Congress has wisely assured the sustained-yield operation of the Indian tribal resource so that it has been conserved from generation to generation.

Thus we have in large measure preserved the forest capital intact.

When we arrange to pay the Klamath people who wish to sell their forest capital, we must do so in a manner which fully compensates them.

The Secretary recommends on page 1 of his January 13 letter that the Indians receive "fair market value." With this I agree.

On page 3 he calls for:

> Payment to the Indians of the full amount they could expect to receive if the forest land were sold under the present termination act.

I cannot agree with this concept of value.

On page 5 he calls for sale—

> at not less than the appraised realization value—

and he defines this as:

> The amount for which the lands could be sold on the open market prior to the termination date, without limitation on use, if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law.

I submit that this is a strange definition of fair market value.

The provision of Public Law 587 permitting withdrawal, which created this terrible problem, was a last-minute addition to the bill. The original bill proposed termination but not liquidation.

I believe that if we in the Congress had been aware that Public Law 587 would place as much as 25 percent of the reservation of the block for liquidation we would not have enacted it, and if the President had been so advised I do not believe he would have signed it.

If we had been aware that the result of Public Law 587 would be to cause a forced sale, this committee would have corrected the matter.

I believe that the distinguished Senator from Utah, Mr. Watkins, who sponsored the termination bill, is in a good position to advise the committee on this point.

I digress from my prepared statement at the moment to make this additional comment, and I do not propose to press my argument analogies too far, but only to illustrate a principle that I think underlies them.

We are really dealing with here, in my judgment, with a very valuable natural resource heritage for future generations of Americans. I would look upon it, Mr. Chairman, as a form of stockpiling for the future of very valuable natural resource assets and capital investments, so to speak, that the future generations long after we are gone are going to sorely need in the United States.

Mr. Chairman, as one Senator, I am not going to be too stingy with the lead pencil. I think we have to keep in mind that we have some moral obligations to these Indians. It is my view that they should have been encouraged more in decades gone by to participate in the privileges of first-class citizenship.

It is easy to take a so-called hardheaded business point of view and say, "We are going to give you just what your property is worth on the basis of some values that we fix in our time." If we do that, Mr. Chairman, we will discover that no matter what dollar sign you put on the timber in this reservation, it will be far below its true value 50 and 75 years from today. This forest, if properly managed, is going to be in bloom 50 to 75 years from today into great value if it is farmed properly.

Of course, this argument of mine is speculation, but statesmanship calls for speculation on such issues. If our predecessors had not been speculators in their political philosophy in regard to such abstractions as I am raising here this morning, I do not know where America would be today. Our predecessors were pretty farseeing men.

Therefore, because I think we owe a great moral obligation to these Indians, I think it would be inexcusable for us to take a hardheaded business, parsimonious attitude toward fixing the value on this property.

I am not going to be the least bit concerned if I vote to pay these Indians substantially more than pencil pushers might agree would be the price that would be reconped if we put an immediate sale price tag on this timber.

We know that we are paying substantially more to some foreign governments for some stockpiling of strategic minerals than the market value of the minerals. We are paying far beyond the fair market value. I would pay these Indians a good price for this timber, taking into consideration its value as a future stockpile of timber needed by American boys and girls of the future. Half facetiously may I say, Mr. Chairman, that even when we liberate men from penitentiaries we give them a little something. We do not find out if they have a little property with which they can pay for the suit of clothes or whatever pocket money the Government gives them when we let them out of the prison gate. Mr. Chairman, I am not going to be greatly concerned about criticism that may follow if we pay these Indians somewhat more than Government departments figure out by way of an appraisal formula as to the so-called fair market value of this timber. I think we are buying a valuable future heritage when we are buying this reservation. I think if we do buy it and keep it for those future generations with a substantial benefit paid to these Indians over and above a forced sale price, it will still be a cheap purchase.

I want to have you keep my point of view in mind because I fully expect when we get into debate on the floor of the Senate there will be those who will say that the position I am taking amounts to some kind of an undue financial handout to the Indians.

Whatever the price figure is, Mr. Chairman, I do not think it will be too much in view of what I think the Indians will be selling us if we can stockpile this reservation for the future needs of our country. Most certainly we had better start stockpiling some timber resources in this country if future generations are to have a sustained-yield source of lumber supply.

It is my sincere belief that the only proper way to determine fair market value is to ascertain, as best our competent appraisers can, the method of sale and period of time over which it could logically be conducted that would bring the Indians their best return.

The classical definition of fair market value involves the informed and willing buyer and seller not under compulsion to deal. If 70 percent of the Indians were forced to sell in 2 years, they certainly would not be termed "willing sellers." They would be forced sellers.

The sad fact is that the trustee—the Secretary of the Interior—is forced to sell for the Indian, and as I read the law the Indian is virtually powerless to forestall the sale without going to court at great legal expense.

I also submit that the educational background and knowledge of timber value possessed by the average Klamath Indian permits only a very few to be defined as informed. I say this without any reflection upon the Klamath people, because the problem is one of extreme complexity.

I could say the same thing about the United States Senators, Mr. Chairman, on this problem. We have to face the fact that we are dealing here with a problem that calls for professional knowledge, and few have it.

I also submit that the record of Federal timber appraisals indicates that at times there have been wide disparities between the prices set by the Government and those offered by timber companies. I do not wish to imply that the Government has not tried to establish fair prices for its timber or that the bidders have always possessed superior judgment or information on timber values.

However, an informed private seller, recognizing a timber shortage and not under compulsion to sell, would not and should not let his product go at a "dump price."

I submit that the concept of not being under compulsion to buy or sell is fine for a classical definition, but in the business world we seldom find this unique circumstance. Generally, price is determined by availability of the supply and the extent of the demand.

It is the responsibility of the trustee to assure the beneficiaries the best possible price, but in so doing he should not glut the market so as to depress demand and reduce the price. If timber demand is high he can speed up its sale and take advantage of high prices, but surely he does not have the right to "break" the market and unduly soften the price.

In addition, in embarking upon the new programs called for by either S. 2047 or S. 3051, there is no requirement in Public Law 587 or elsewhere that the value set on the property be computed as though the timber were being dumped on the market.

I respectfully suggest that the figure to be used for setting the minimum price for which private purchasers or the Government can acquire the lands, be defined as the fair market value of the land and timber if offered for sale over a period of years and in a manner designed to produce the best net income to the Indian people.

Suppose for just a moment that there is only one bidder for each sale unit. The appraised price will then become the controlling factor. We have no right to cause the Indians to suffer a loss that may result from a price conceived under the narrow terms of Public Law 587 with its rigid time limit.

We should correct this deficiency in Public Law 587 and I am surprised that the administration in its role as trustee did not so suggest.

If the Congress fails to enact either S. 2047 or S. 3051 it would be imperative in my judgment that we clothe the Secretary of the Interior with sufficient authority to at least protect the value of the Indians' timber by extending the sale period.

I wish now to turn to my second point—the 75-year sustained-yield covenant proposed in S. 3051. If this land were added to the national forests, sustained-yield management along with other great public uses would be assured.

We have witnessed in this Nation most terrible scuttling of our private forests. From Maine to Florida, then west to our own great

State, the timber industry has marched leaving behind it stumps and wasteland and ghost towns.

In fact, it is a well-recorded fact that during this period the timbermen stole vast quantities of timber from the public domain and secured vast acreages on questionable procedures and lax administration on the public-land laws.

We have also witnessed in the past few years a new alertness by the timber industry to the precepts and benefits of conservation. This awakening has been slow and it has been small. We have over 360 million acres of commercial timberland in this Nation that are in private hands, but only one-ninth of this is in the tree-farm movement. I hope that each member of this committee will recognize that a tree-farm sign does not insure sustained yield.

This is not the time or place, Mr. Chairman, to go into this particular matter other than by way of a brief remark in passing.

I want to point out there are many claims by private timber operators that they are operating so-called tree farms. I respectfully suggest that an investigation of their actual practices would show quite a disparity between the signs on the acreage and the timber practices which they are following.

Do not forget also that in some jurisdictions the tree-farm sign is productive of certain benefits that accrue to the timber owner tax-wise and otherwise. There is a need, I respectfully say, for a very thorough examination of how much actual tree farming is going on in acreage that has a tree farming sign on it.

It only assures cutting practices that "may" result in ultimate productivity of the forest again. A tree-farm company can be liquidating its timber and still be a tree farmer. Let us encourage better private forestry, but let us not delude ourselves that a sign and a screen of trees along a road is forest management.

S. 3051 provides no way of assuring that the prospective private purchaser is now practicing sustained yield on "his own" land. It may be that there are private purchasers who desire to acquire this reservation, who are now dedicated to sustained-yield forestry. But that fact in and of itself does not assure the continuation of this wise practice.

If this committee is going to proceed on this basis, I respectfully make these suggestions:

Under private purchase there would have to be devised a system of inspection to assure compliance with the proposed covenant. Before the covenant terminates there should be satisfactory evidence that the other lands owned by the purchaser are operated upon a sustained-yield basis.

Suppose the purchaser is a company hopeful of proceeding on a sustained-yield program, a firm which today honestly believes that the acquisition of all or part of the Klamath Forest would assure this worthy goal. What would our position be if at the end of 75 years the management should decide to liquidate its timber? What could we do if the first area selected for liquidation were to be the great Klamath forest?

If an opportunity for private purchase is the desire of the majority, I do not believe that we should leave to chance the realization of the conservation goal.

Under S. 3051 the Government would inspect only the Klamath forest and this overseer function would terminate after 75 years. It was in the Sermon on the Mount that our Lord said:

> Ye shall know them by their fruits. Do men gather grapes of thorns or figs of thistles?
> Even so every good tree bringeth forth good fruit, but a corrupt tree bringeth forth evil fruit.
> A good tree cannot bring forth evil fruit—
> Either make the tree good and his fruit good or else make the tree corrupt and his fruit corrupt. For the tree is known by his fruit—Matthew 7 : 16–18 and 12 : 33.

We have no choice but to adhere to these wise words and we cannot permit the tree to be corrupt.

If we sincerely mean to insure private sustained yield, let us really do so. First, the minimum covenant period should be the 120-year maturity growth period for ponderosa pine, the major trees in this forest.

Second, let us provide for continuation of the inspection period for as long as need be with the proviso that only after 120 years, if sustained-yield forestry has been continuously practiced on all lands owned or controlled by the purchaser, he may petition the Secretary to recommend to the Congress that the covenant be lifted or revised under such terms and conditions as the Congress may then prescribe.

Third, let us provide that the Secretary of Agriculture is authorized and directed to make regular inspections to ascertain the facts as to the operation of all of the purchasers' holdings and to report them to the Congress.

Let us not delude ourselves into thinking that conservation on part of the lands the purchaser has is enough to insure it for all time on the very lands we are today seeking to protect. Let us be willing to recognize that the current management of a company can bind the future management of the company only if we provide the means today.

If we really are going to have good-faith purchasers genuinely interested in sustained yield they must be prepared to go all the way. It would be an absolute fraud on conservation if we permitted a company to buy 20,000 acres of the reservation that must be dedicated to a 75-year sustained-yield program while we permitted them to slash through 80,000 acres elsewhere while awaiting the expiration date of covenant.

If we permit this sort of purchaser to participate we will be in for administrative difficulties, lawsuits, and a political free-for-all. Far worse, we will have failed to keep faith with our children's children.

I shall rest my case on these points—price and real sustained yield. As I see S. 3051, it may create other severe problems. It may be that the present mills in Klamath Falls are unable to participate because of financial obstacles too great to overcome. Extensive private sales to firms which would transport the timber elsewhere or construct new local mills might prove disruptive to Klamath Falls by intensifying cutting on other private lands.

As I understand it, the proposed sale units will be too big for acquisition by even what we term a medium-size mill, one cutting 10 to 20 million board feet a year. I hope that you will be able to secure from the Department of the Interior a full analysis of the economic

impact that may result from their plan and the extent to which it precludes small-business participation.

In suggesting S. 3051, the Department has indicated concern for the economy of the area. Will the economy be better served by continuing the Klamath Forest under unified public management with the timber competitively available to all of the mills?

I want to assure each member of the committee of my desire to cooperate in finding the best possible solution to the grievous situation which Public Law 587 has created.

I realize that this is a national as well as a local problem. It is a human as well as an economic problem. We must proceed carefully and fairly to eventually terminate Federal supervision of our Indian people. If we are to be judged successful by our Maker, we must proceed with compassion and justice.

Senator NEUBERGER. Thank you very much, Senator Morse, for that testimony.

I would just like to ask several questions, if I may, about the points which you have raised.

Inasmuch as you discuss the price and very properly urge fairness in dealing with the Indians, are you satisfied with the price provisions in S. 2047?

Senator MORSE. I look upon it as a minimum.

Senator NEUBERGER. Would you suggest an amendment to S. 2047 to provide a higher price to the Indians?

Senator MORSE. I may very well do that after I study the whole record made at the hearings, and I tell you why, Mr. Chairman: I am trying to see this problem beyond the present. I am looking at it from this angle. We here as a nation are given the opportunity to buy a natural resource asset that may be of great value to Americans long after we are gone. If we can honestly say that we think this timber will be of much greater value to Americans 75 or 100 years from today than it is now, and if we couple to that what I consider to be the moral obligation to give the Indians the benefit of every doubt in respect to price, I am perfectly willing to say to the American people that we should pay more than the so-called present market price. I say that because I think this is a good stockpile to invest in; just as we are paying more, as I said before, for some stockpiles of strategic materials that in some instances are costing us more than we would have to pay American miners.

Senator NEUBERGER. The thing that concerns me to some degree, Senator, is this:

You and I happen to be the only two Members of the Senate who represent the State in which this entire reservation is located. We are in effect asking our colleagues to vote for an authorization of around $121 million to buy this reservation or to pay the Indians the fair market price.

If we do anything to make the price higher, is there any likelihood that it might jeopardize the willingness of our colleagues to vote this very substantial sum of money so that the unfortunate present law will not go into effect at the end of this session?

Senator MORSE. I think you are quite right. Let us be frank about it. That is what we call the parliamentary politics of it. That is why I wished the reservation were in Utah or Florida or State X, Y, or Z, because our position would be the same no matter where it was.

Such an attitude as I have expressed is true of the true conservationist. He does not care where God's gift to the American people happens to be located. He asks, what is the program that we ought to adopt to assure leaving it in a better condition that when we found it—to assure a richer heritage for the future generation of American boys and girls?

Such is the position that the two Senators from Oregon have taken on every natural-resource project in this country wherever located that has come before the Senate of the United States. I wish that this reservation were somewhere else so no one could say, that, because it is in Morse's State, he is seeking some special benefit for Oregon.

But we can demonstrate to such critics that when they have a similar resource problem some place else, our position will not change. We have already made such a record on conservation, time and time again.

So I agree with you, Senator Neuberger, that what I call looking to the future interest, that I have emphasized here this morning, may not arouse very much enthusiasm in 1958 in the Congress. But somebody ought to make a record on this point because I am convinced that the people of this country are going to have to come to this conservation point of view—and in the not too distant future—on this whole matter of protecting natural resources.

Here we have a specific conservation project. We have an opportunity to do justice to our Indians. We have an opportunity to keep this reservation in public domain for future benefits. The interesting thing about it is that it will be the greatest assist to private enterprise in the Klamath Falls and if it is purchased by the Federal Government.

If we really want to strengthen the system of private enterprise in the Klamath Falls area, we will not scuttle this forest now, we will not dump this timber. We will keep this timber under governmental trustee management where private industry on a competitive bid system will have a fair break to get this timber. If we operate it on a tree-farming basis we will keep some private mills in business for a long, long time in Klamath Falls. In my judgment, however, if we follow the scuttling program it will not be so many years before those mills will be out of business.

You, Senator Neuberger, have written on it more extensively than I have spoken on it. You can demonstrate so well what has happened to private timber holdings across America.

I alluded to it in my prepared statement.

Senator NEUBERGER. The only point I am making is that you and I are confronted with a practical reality. Under the existing terms of S. 2047 and possibly S. 3051, we are confronted with the challenge to persuade our colleagues perhaps to authorize appropriation of $121 million to buy an Indian reservation in Oregon.

Do you think we might be jeopardizing even that possibility if S. 2047 were amended to increase that price to the Indians?

Senator MORSE. We will just have to follow the course of debate and see.

I am hopeful that we might be persuasive in getting the Congress to agree that maybe it is a waste of taxpayers' money to send a jet bomber to Venezuela or some other country in South America. It would be better to save that and put the purchase price of the timber

into the Klamath Indian Reservation for the benefit of future generations.

I think it would be a better defense for America.

Senator NEUBERGER. But if we are unsuccessful in such persuasion and neither bill is passed, then the existing termination act goes into effect.

Senator MORSE. And you and I are in the doghouse.

Senator NEUBERGER. I just want to ask one other question.

Do you think it would be preferable to have S. 3051 enacted than to permit the existing termination act to run its course?

Senator MORSE. I agree with Senator Quiring; I think that if we are pushed to the point where we have to take the Department bill we ought to try to get some amendments along the line he suggested. We should take the best bill we can have. We should amend the administration bill the best way we can if we lose out on S. 2047.

I do not think it is in the interest of the Indians or in the interest of the American people to have the termination law in its present form run its course.

Senator NEUBERGER. You do think if we were confronted with that dilemma that S. 3051 would be better than to have the existing termination act?

Senator MORSE. You and I have been confronted with that dilemma so many times and you know what the course of action has always been.

Unless in the opinion of one of us there is a great sacrifice in principle we go along with the best compromise we can get.

Mr. COBURN. Senator, do you see any advantage to those Indians who elect to remain in the tribe through this device of a private trusteeship to take the place of the Federal Government's trusteeship.

Senator MORSE. Not at all. I see a great many disadvantages. I do not think that the Federal Government should by law turn the economic destiny of Indians over to private trusteeships.

I think we have a public responsibility to see to it that we keep the public hand in control.

Senator NEUBERGER. Do you have any questions, Mr. Gamble?

Mr. GAMBLE. None, Mr. Chairman.

Senator NEUBERGER. Mr. Wolf?

Mr. WOLF. I have no questions.

Senator NEUBERGER. Senator Morse, thank you very much for being with us today.

I see it is 2 or 3 minutes before noon. I just want to make an explanation of our schedule for tomorrow morning.

We cannot meet at 9:30 as we have been doing because the chairman of the Interior Committee has called a meeting for 10 o'clock. He does not anticipate it will be a lengthy meeting, but one never knows.

So, subject to that overriding consideration as to how long the Interior Committee meeting will last, we will take up tomorrow morning at approximately 10:30 or as soon thereafter as the Interior Committee recesses.

Our first witness tomorrow morning will be Mr. J. W. Penfold, representing the Izaak Walton League of America, and then we will hear from Indian witnesses representing the Klamath tribe and other Indian groups from that area.

We will stand in recess, then, until 10:30 or soon thereafter tomorrow morning.

(Thereupon, at 12 noon, the subcommittee was recessed, to reconvene at 10:30 a. m., Wednesday, February 5, 1958).

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AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

WEDNESDAY, FEBRUARY 5, 1958

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 11 a. m., in room 224 of the Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee) presiding.

Present: Senator Neuberger.

Present also: William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McSherry, assistant chief clerk.

Senator NEUBERGER. The subcommittee will please come to order.

Our first witness this morning will be Mr. J. W. Penfold who is representing the Izaak Walton League of America. We are very happy to have you with us.

STATEMENT OF J. W. PENFOLD, CONSERVATION DIRECTOR OF THE IZAAK WALTON LEAGUE OF AMERICA, WASHINGTON, D. C.

Mr. PENFOLD. I have a brief statement, Mr. Chairman, which I will read.

I am J. W. Penfold, conservation director of the Izaak Walton League of America, which is a national membership organization dedicated to the conservation and wise use of America's natural resources.

In appearing before this committee, I am representing the national organization and its component segments in the States and local areas.

It is our policy, Mr. Chairman, in specific conservation problems to rely to a great extent on our local leadership, who are close to the problem area. In this case we have relied heavily on our membership in Oregon, which is intimately familiar with the problems of the Klamath Indians, the reservation lands, waters, and related resources and the complexities of termination.

The legislative committee of the Oregon division of the league has already filed with the committee a statement with respect to Senate bills 2047 and 3051. The committee will recall that this same Oregon league committee testified before at the Klamath Falls hearings in October 1956, and again at Portland in October of 1957. The current statement, consequently, supplements the early statements.

The Izaak Walton League accepts these statements as proper expression of national league policy and opinion. I might end my

statement right there, Mr. Chairman, but if you will indulge me for a moment or two, I would like to make a few comments to highlight our position in the matter.

We agree that the Indians should receive full justice, and if the lands are to be disposed of, they should receive fair compensation. We would consider that a debt of honor. But we have another debt, also—owed to future generations, Indian as well as white—to bequeath to them a natural resource based upon which they can maintain a high standard of living and a satisfying way of life.

We do not believe the true values of these lands can be appraised alone by the cash which fire-sale liquidation would bring. Nor can their value be measured alone by the cash which sales with sustained-yield covenants might produce—a much lower figure in all likelihood.

There are 300,000 acres of lands in the Klamath Basin dependent largely on the reservation watersheds for irrigation water. The upper Klamath Marsh, for the most part in reservation status, acts as a huge sponge to soak up water and release it downstream in the dryer months.

It serves as well as a vital link in the whole Pacific flyway for migratory birds. There are mule deer and fisheries resources. There are relatively untapped recreation sources of which the future will likely be in very serious short supply. These and other resources must not be overlooked in settling the problem.

It is difficult or maybe impossible to place a cash value on these other resource uses. But, I know that in my home State of Colorado the Game and Fish Department is spending as much as or in excess of $1,000 per surface acre to construct fishing waters.

I know we have paid as much or more for waterfowl lands. I know that people have paid impressive sums in outright subsidies to bring irrigation water to new lands.

Whatever the cold, hard economics of the moment or the foreseeable future, we are convinced that the lands in question, managed indefinitely for the production of all resource uses and values, are worth more to the people of the area, the State of Oregon and the Nation than any formula based on the timber alone can produce.

We believe that Public Law 587 will not prove just or fair to the Indians, or to the Nation, on a short-term basis or a long-term basis. Moreover, it invites cut-slash-and-get-out logging operations with all that that could mean detrimentally to all of the related resources and the future of the area.

We believe S. 2047 comes closer to meeting present needs as well as long-range objectives. S. 3051 comes somewhere in between—better than following through on Public Law 587, but in operation likely to fall far short of what surely must be possible to accomplish.

You requested previous witnesses, Mr. Chairman, to furnish you with suggestions as to how S. 3051 might be constructively amended to achieve greater ultimate objectives. If our suggestions along that line would serve any worthwhile purpose, we would be most happy to submit them.

We appreciate this further opportunity to express ourselves before this distinguished and most courteous committee.

Senator NEUBERGER. Thank you very much. I appreciate your testimony because I am a long-time member of the Izaak Walton League myself, and value its counsel and suggestions a great deal.

I think it would be pertinent for me to include in the record a very comprehensive statement which I have received from our mutual friend, Rollin E. Bowles, the chairman of the legislative committee of the Oregon division of the Izaak Walton League of America, in which he analyzes both S. 2047 and S. 3051 and expresses the preference, for varying reasons which are contained in his statement, of the Oregon division for S. 2047. We will put this in the record following your testimony

I want to ask you several questions. I believe you were present in the Interior Committee room yesterday when I asked certain questions of the Forest Service regarding the provisions that would be made for recreation and similar public use of any of the timberlands that might be sold into private ownership under S. 3051. Were you here at that time?

Mr PENFOLD. Yes, sir.

Senator NEUBERGER. Were you satisfied with the assurances given or not with respect to this?

Mr. PENFOLD. I am satisfied that, on all or any part of these lands that may in the future be administered by the Forest Service, we can be assured of proper utilization and development of the recreation sources. I do not think that we have that assurance for all or parts of those lands that go into private ownership.

Senator NEUBERGER. Thank you very much, Mr. Penfold. I just want to ask Mr. Gamble how long we will keep the hearing record open, because Mr. Penfold mentioned that he might make some specific suggestions on behalf of his organization for amendments to S. 3051 from the standpoint of conservation and recreation. How long will the hearing record be open, so such recommendations could be included?

Mr. GAMBLE. You will recall, Mr Chairman, that the Department has suggested that the final figures on the appraisal of the Klamath Reservation will be available within 10 or 15 days, and perhaps we could leave the record open for 2 weeks from tomorrow, since I understand we will conclude tomorow.

Senator NEUBERGER. Tomorrow will be the 6th of February, so that the hearing record, and I want to set this down for the convenience of other people in the room as well as Mr. Penfold who is our witness at the moment, will remain open until February 20, 1958.

Mr. Penfold, if you have some suggestions then which you would care to develop, we will be pleased to receive them by that time at the latest.

Mr. PENFOLD. Thank you, sir.

Senator NEUBERGER. Thank you very much. We are very pleased that you took the time and trouble to enlighten us as to the position of the Izaak Walton League.

(The following was received for the record:)

STATEMENT OF ROLLIN BOWLES, CHAIRMAN, LEGISLATIVE COMMITTEE, OREGON DIVISION, IZAAK WALTON LEAGUE OF AMERICA, INC.

The Oregon division of the Izaak Walton League of America, Inc., regrets very much that circumstances prevent a personal appearance by a representative at this hearing to consider S. 2047 and S. 3051.

Our organization appeared before the subcommittee at a hearing conducted October 18, 1956, in Klamath Falls, Oreg., in relation to Public Law 587 at which time we recommended the Federal acquisition of the entire reservation as the only solution to the dilemma created by Public Law 587. That testimony is a part of the records of the subcommittee and it can be seen from those records

that our organization was one of the first, if not the first, to make such a proposal. Subsequent to the hearings of 1956, S. 2047 was introduced which reduced to legislative form the essence of our proposals. Our organization again was represented before this subcommittee in October of 1957 at its hearings relative to S. 2047 in Portland, Oreg. The testimony there submitted is likewise a part of the records of this subcommittee. We of course were pleased to find that in the interim of 1 year between October of 1956 and October of 1957 the proposals that we had presented to the subcommittee in 1956 were adopted by nearly every group and individual, with rare exceptions, who appeared with relation to S. 2047.

Our organization has had the opportunity as a group to go over much of the reservation area and many individual members have made a more extensive survey and study than has the organization as a whole. We have discussed the effects of Public Law 587 with many interested individuals and groups including the management specialists employed by the Secretary of the Interior under the provisions of Public Law 587, and it is our considered opinion that Public Law 587 must not be allowed to go into effect for the reasons that we have previously stated in our testimony to this subcommittee and will restate briefly here.

Public Law 587, if carried into effect, would be a great disservice to the Indian people themselves for the sale of the principal asset of the reservation which would be the timber, would create a depressed condition in the lumber market, resulting in reduced or fire-sale prices for the most valuable commodity the Indians have for sale.

Public Law 587 carries no provision that would deter, much less prevent, the immediate logging of every stick of merchantable timber from any tract that a purchaser might acquire. The indications are that the reservation timberland will be broken up into comparatively small tracts in order to attract competitive bidders which will mean that for the most part they are likely to be purchased by small operators, who will by circumstances be forced to borrow money to finance the purchase and operation and by economics to take off the timber in as short a time as weather and other conditions will permit and to take all of the timber which can possibly be sold, thus creating a dangerous economic condition in the lumber industry of the Klamath Basin in a State and region that is already suffering from a depressed lumber market. We are not opposed to small operators, but the operating circumstances that Public Law 587 would impose upon the small operator would be such that even the small operator would probably be among the first to condemn. Our organization is deeply concerned about the possibility of slash and clear-cut logging practices in any area as large as the Klamath Reservation. However, we know from experience that eventually, and how long that time may be is difficult to say, the lumber market will again stabilize itself after the surplus is worked off. But another factor that is of far more serious consequences and much longer lasting detriment is the damage that will be done by such cutting practices to the water supplies in the basin.

There are in excess of 300,000 acres in the Klamath Basin dependent upon irrigation water for their productiveness. The million-acre Klamath Indian Reservation controls the larger sources of this water. This soil is of a coarse pumice type which would be readily subject to washing and serious erosion if there is not a substantial vegetative cover to protect it. Thus if the timber is gone the water will run off rapidly, carrying with it the loose pumice soil during periods of freshet or high runoff and there will be little water at the time when it is most needed. This subcommittee must recognize that there is a vast area of difference between the available water supply and the available usable water supply. As the situation exists at present, the timber and other vegetative cover binds the soil, provides shade which prevents rapid snow melt from the sun and holds the water back that the supply may continue to come forth from the ground and be available to the irrigationists at the time when it is most needed, after the rains and snow which come in the late fall and through the winter, into the early spring, have ceased.

The great upper Klamath Marsh, which for the most part is in reservation status, is a huge sponge that helps to soak up the water that it may release it over the months when water would otherwise have gone down the Williamson River into the Klamath Lake system and out Klamath River to the sea in a surge. It is vital for the water supplies themselves that this great marsh not be drained or otherwise tampered with. Drainage of this area would be comparatively cheap and simple since this marsh is created by a rock fault at the

outlet which could easily be blasted away and a canal dug back into the marsh for drainage purposes. At the best the drained area could never be classed as anything better than low-grade grazing land while at present it provides a stable source of water for the area below. Our organization is more concerned about the effects upon the total available usable water supply in the area that may come about through unwise timber harvesting than from any other factor, though we are deeply interested in all of the factors herein involved. For once this water supply stability is detrimentally affected, it may be impossible to recapture that stability and if it can be recaptured it would be only at a tremendous expense in money and time, a tragic loss to those dependent upon water for the productive capacity of their lands, in fact their very lives.

The marsh also is of great importance to the Pacific flyway in that it is a resting and feeding place for countless thousands of migratory waterfowl on their migration from the north each fall and on their return migration in the spring and is a huge producer of migratory fowl in the Pacific flyway. It is the largest marshland now existing in the United States. The fall use of this marsh area is of tremendous importance in that it harbors the many hundreds of thousands of early migrating birds that, were this marsh not available, would be inclined to continue on into California before the crops in that area were harvested. These birds would then create a serious depredation problem on the unharvested crops with the very real likelihood that they would have to be eliminated in order that the agriculturists in that region could survive. No thinking American is anxious to see the elimination of any species of wildlife when they can in reasonableness be preserved by preserving some of the area upon which they are dependent so that they will not create problems outside that particular area. Such is upper Klamath Marsh.

The Williamson River which drains the marsh is also a spawning area for a fine run of resident rainbow originating in Klamath Lake as well as other species of fish that are avidly sought by sportsmen in those areas of the Williamson River open to the public and Klamath Lake itself. If the marsh is drained there is little doubt in the minds of biologists with whom we have had many conferences that it will mean the elimination of the Williamson River as a spawning area with consequent loss to the fishery resources in the basin.

There is on the Klamath Indian Reservation a sizable herd of mule deer that migrate back and forth between the national forests and the reservation, providing sport and food for both the many sportsmen of the State of Oregon and the Indian people. The elimination of the timber and the effect it would have upon the water resources could, and very probably will, have a serious detrimental effect upon this deer population.

It is our considered opinion that Public Law 587 will benefit at the most only a very, very few and those for a very short period of time. For it is not likely that the Indian people seeking to withdraw from reservation status will have sufficient moneys paid to them as the result of the sales contemplated by Public Law 587 to invest so that the return will provide them an income sufficient to maintain a reasonable standard of living. This income will have to be supplemented from other sources. It is quite likely that most of the Indian people will remain in the immediate area and it would be exceedingly difficult for them to adjust themselves to independent status in an area that is suffering a depressed lumber market from overproduction. It is quite likely that within a relatively short period of time even those members of the Klamath Tribe best able to manage their own affairs would find that their funds were largely dissipated in even frugal living and demands then would be upon both the State and Federal Governments to supplement their income, if they had an income, or provide them directly with the necessities of life. This would be the greatest disservice that could be done to the Indian people. They should not be thrust out into a community unable to absorb them because of a lumber depression.

Turning to S. 3051, we wish to call the attention of this subcommittee to what our organization sees as some of its most serious shortcomings. First, administratively, it will be exceedingly difficult if not unworkable. The enforcement of the sustained yield provisions in any document transferring title to the property would be both costly and of problematical effectiveness.

Secondly, the Secretary of the Interior apparently contemplates that the area of some 700,000 acres to be sold, be sold in large lots. This would make it economically impossible for the small operator to participate and the sustained yield provision would preclude participation of an operator without a long-term operating schedule. Our organization is not opposed to large lumber operators but we recognize the fact that there is a need for and a place for the small

operator in our lumbering operations here and we do not enjoy the prospect of seeing him legislated against where some 700,000 acres of timberlands are being disposed of in one block.

There seems to be a difference of opinion among legal experts with respect to the effect that the restrictive covenants in the transfer documents might have in the event the purchaser were to fail to pay his taxes and a tax foreclosure resulted. Our organization has seen in the not too distant past large lumber operators losing their timber property at tax foreclosure sales. The county commissioners are required under the law and by their oath of office to recover as much for the county in any subsequent sale as possible. They can sell the timber separate from the land or the land and timber together and a question immediately arises as to whether the purchaser in such a circumstance would be bound by the restrictions placed in the deed to the purchaser from the Government. To say the least, difficulties in this aspect are very likely and would impose a burden on those who would administer the Government's interest whatever it may be, to say nothing about the potential calamitous effect that S. 3051 would seek to prevent.

The words "sustained yield management" is subject to many interpretations and we know from experience that what was considered sustained yield management 20 years ago has a different definition in today's world and is likely to have a different definition 20 years from now. Is sustained yield management going to be interpreted in the light of its interpretation when the documents proposed in S. 3051 are drawn or near the end of the period of 75 years as is proposed in that bill? And in this connection is seventy-five years an advisable period of time, since it takes in excess of 100 years to regrow a merchantable stand of timber in this particular area?

From the standpoint of our own organization, the one good feature with which we have no quarrel as to S. 3051 is that it provides for outright acquisition of upper Klamath Marsh so that it can be transferred to the United States Fish and Wildlife Service for a permanent refuge. We feel that S. 2047 is to be preferred over S. 3051, for it does not leave in doubt the status of the timber nor its availability to all operators, large and small. S. 2047 likewise provides that upper Klamath Marsh be acquired and transfered to the Fish and Wildlife Service. We feel that the transfer to the Fish and Wildlife Service should be without absolute restriction in that there are many refuge lands in the area and it might be that judicious management of a fluctuating resource such as migratory waterfowl would dictate that part of his great area can be made available as a public shooting ground. It is not with a selfish motive in view that we say this but from a wealth of experience gained in other areas similar in nature to upper Klamath Marsh. It has been our feeling in Oregon that it is difficult if not impossible to manage a fluctuating resource from a fixed legislative position, that it can better be done by regulation under proper safeguards, for the regulations can be changed as the circumstance requires. Legislation is difficult to change and, in any event, any emergency might grow into a disaster before legislation could be enacted. However, it is not our purpose at this particular point to quarrel with any solution the committee sees fit to recommend that will preserve the marsh. We are only making these proposals that the subcommittee may have all of the benefit of our experience for its consideration. For this area is important not only to the migratory waterfowl but more important, if that is possible, as a water-storage area for the basin which is already water-short. It is the feeling of our group, and we cannot too strongly express it to this subcommittee, that S. 2047 has much to recommend it over S. 3051 for the reasons that we have stated, but again we wish to stress to the subcommittee that either bill as proposed is preferable to Public Law 587, as amended. For should S. 3051 be enacted as drawn, which we do not recommend, at the worst it will delay a disaster and S. 2047, we feel, will forever prevent a disaster. However, if Public Law 587 is carried into effect, we are certain that a disaster will result.

We respectfully submit that the subcommittee give favorable and immediate consideration to S. 2047 that we in Oregon will not be the victims of an unfortunate situation that can reasonably be prevented without damage or injury to anyone, and in closing we wish the subcommittee to understand that it is not our desire as an organization or as individuals to deprive the Indian people of anything they have, but our statement is given in the light of the fact that we are faced with the law of the land and these recommendations are made as much in behalf of the Indians as in behalf of the rest of the people of Oregon and the Nation.

We take this opportunity of expressing our gratitude to the subcommittee for permitting us to take of its time on the occasions when hearings were held in Oregon and the opportunity to submit this statement for its deliberation.

Senator NEUBERGER. The next witness will be Mr. Spencer Smith, representing the Citizens' Committee on Natural Resources.

STATEMENT OF SPENCER M. SMITH, JR., EXECUTIVE SECRETARY OF THE CITIZENS' COMMITTEE ON NATURAL RESOURCES

Mr. SMITH. Mr. Chairman, I am Spencer M. Smith, Jr., executive secretary of the Citizens' Committee on Natural Resources. The citizens' committee is made up of some of the most distinguished conservationists throughout this land, and we would like to take advantage of submitting a more detailed statement.

Our members have many talents and they are scattered throughout the United States, and we want all of them to be afforded the opportunity to look at this new bill, S. 3051, quite carefully.

I think that we could be able to make this kind of a survey that we will have to make and could await the judgments and get it to the committee within 2 weeks' time. We are somewhat on the way with this now.

If I may say, then, our comments today on the two bills before this committee, S. 2047 and S. 3051, are in a kind of a preliminary state. These are our judgments as of this moment of analysis.

Obviously the bill that the citizens' committee prefers is S. 2047. It is what some of us, in running around here in the legislative halls, have picked up the jargon, is what is sometimes referred to as a clean bill. It is uncomplicated, and its approach is straightforward, and it seems to us to provide the means of doing the job in the best and most reasonable manner.

I see no reason to be less than candid with this committee that most of the comments that we have heard in opposition to S. 2047 primarily come that probably it is not legislatively feasible at this time.

Well, leaving that to those who know more about it than we do, we would prefer to discuss the merits that are involved.

As Mr. Penfold, our distinguished colleague, in conversation has so properly pointed out, the number of resources that are involved here are rather significant. Perhaps that is obviously an understatement.

The timber resources and the water resources, and certainly something that is becoming more and more important, the wildlife resources, are provided for in our judgment in S. 2047. It appears to us that we have two extreme positions which must be investigated.

One is to allow the present Public Law 587 to be implemented and continued. To us this would be a serious peril. If it were completed, I do not think that there is much question about the fact that most of the timber would be clear cut, or a good bit of it would be. Whether there would be gross clear cutting or not, it is perfectly obvious that in selling small parcels of land we would leave it pretty much to the whim or luck as to whether any sustained yield management would take place.

It is very difficult for us to understand—and theoretically it may be possible to understand—how about 70,000 acres of very important

wild marsh area, which most of us are acquainted with, could be continued to be used in a fashion that would provide the natural wildlife habitat and extend it. Also, as far as the water is concerned, we are coming to realize more and more that as we determine timber cutting and timber utilization, this has rather an immediate and significant impact upon water. Also, it has effect on erosion and the various things that flow from the usage of that water.

We think for these things, that the present act to continue without impediment to the conclusion which we find pretty unhappy, the timber and the wildlife resources and the water, in our judgment, would all be adversely affected if some cessation or some means of handling these timber and tribal lands is not undertaken.

I think it is also important, and perhaps it has been done previously, but for our own review, we think it is important to indicate some of the things that we are talking about.

The timber rich reserves as far as commercial timber is concerned, we find about 3.9 billion board-feet of timber growing in about 590,000 acres. It is our understanding that if this is put under sustained yield, we will be able to obtain up to about the year 1960 or 1961 about 81 million board-feet of saw logs. After that particular time, if operated on a sustained yield basis, there will be about 63 million board-feet. Many foresters have concluded this would probably be in perpetuity.

I think this is significant, and it is important as a consideration, in thinking about what might happen. Certainly the equity to the Indians is important to all conservation groups.

We are extremely moved by the fact that there can be considerable inequities to the Indians in any approach. Part of the difficulty to us is the confusion of what the overall population of Indians is. I do not know exactly what it is.

In one article here most recently put out by Mr. Netboy, it was suggested that there were about 2,095 persons.

Senator NEUBERGER. Where is that from?

Mr. SMITH. From the American Forests, and the article is by Anthony Netboy.

Senator NEUBERGER. What is the title of the article?

Mr. SMITH. It is Uproar on Klamath.

Senator NEUBERGER. I remember the article, and I think it might be pertinent if it were included in the record.

Mr. SMITH. It is a very clear article.

Senator NEUBERGER. Will you leave it with us so the reporter can add it to the hearing record?

Mr. SMITH. I will indeed.

Part of the difficulty is finding out exactly what these people want to do, and what kind of unanimity can take place, and also providing the kinds of equity. Mr. Netboy suggests that part of the problem is the difference in the age groups, and the difference in the attitudes, and, as a result of this, the difference in exactly what they want done with the land.

Some wish to stay there on any kind of management, or some kind of trusteeship, and some others would like to take their money and leave.

This reflects, as I say, a complex situation which is not too obvious as to settlement. We are anxious, of course, that any procedure in

saving these resources should certainly be fair and equitable to the Indians. I think this is entirely possible.

One of the things, Mr. Chairman, that we are asking about or concerned about is this: It has often been said that one of the impediments to the successful consideration of S. 2047 is the amount involved there for the payment, or for the appropriations that would be involved.

I was wondering if some kind of amendment could at least be considered whereby this appropriation would not have to be considered in one big swoop, because it is doubtful whether the actual payments would not take place over a period of years.

Now, I am not enough of a legislative savant to know the ins and outs of the Budget Bureau and all of the problems usually manifest in this regard.

Senator NEUBERGER. Let me ask Mr. Lee and his associates about that.

Did you hear the point that Mr. Smith made?

Mr. LEE. Yes, sir; and I think it is possible to set it up that way; that is, on a deferred-payment basis. I think it is possible to set it up in a series of deferred payments. On the other hand, the matter of interest and the rights of the Indians enters into that.

Many of the Indians want their cash now, and they want to enter into enterprises and purchase lands elsewhere, and homes elsewhere.

Senator NEUBERGER. And some are on in years.

Mr. SMITH. It seems to me that is the point that I am making. It seems to be somewhat of a mixed basket of what is going to take place in any kind of adjudication, and, therefore, the figure that is somewhat frightening is that this has to come out of any given budget in this one single figure. That has been a thing that has been used as a talking point against the bill—in terms of all of the other problems we have, raising sputniks and so forth—that this figure is so excessive that it should not be considered.

I think perhaps if we understand that payments are going to be difficult, and some of them are going to want it now and others will not, as a result of the complex determination, that this may be taken into consideration as far as the appropriation is concerned.

May I turn very briefly, having realized that I have not exhausted the idea of S. 2047, but to say once again in its behalf that management under national forest auspices I think is the best we could possibly achieve. I have infinite confidence in the forest reserves and I am quite sure that this management would be up to the standard of management in our national forests, and I think that this would be important.

Another thing that I think is important, and it may have been forgotten, is this: The forest reserve themselves, a lot of people have the idea, and even some of our own associates write in and say that they do not think that the timber should be locked up. We should like to state here, and not necessarily for the edification of the committee, which certainly knows the procedure, that the management under the forest reserves obviously undertakes a considerable amount of cutting.

In fact, the last budget of the forest reserves was here asking for more money in order to get up the allowable cut under sustained yield.

As a result of this, in the building and management there, the forest reserves would be able to take in a lot of small lumbering firms, which almost any other type of procedure in settling this particular situation could not undertake. It would have to be, it seems to me, if we are going to get sustained yield bases, sold in large lots such as S. 3051 contemplates.

The new bill or the bill more recently introduced, S. 3051, has one significant merit, which we very much approve of, and that is the acquisition of the marshlands of which I spoke by the Fish and Wildlife Service, and turning them over for management as a wildlife refuge. This we certainly do support, and we think the bill has strong merit because of it.

I am not completely conversant or do not completely understand the method that the new bill is going to achieve as compensation to the Indians. This obviously is a significant problem. I would be very happy to be edified on this problem, Mr. Chairman.

The other merit of S. 3051 is that it does provide Government regulation, and if they are not operated on a sustained yield basis, they will revert to the Government. The Forest Service will be the policing agency, if you choose, or the regulator as to the sustained yield operation.

However, I do find, and I agree, if you are going to do it this way and if you are going to sell these lots—I think that they contemplate between 11 and 15 lots—if you are going to sell them on that basis, and you probably have to if you are going to achieve sustained yield, but, by the same token, this of course does exclude any competitive bidding or any of the smaller lumbering operators.

I appreciate if you are going to do it this way that you are going to exclude them, because this is probably the only way you can get a sustained yield, if you sell it to private interests.

This also seems to us to be a rather cumbersome method to achieve what apparently the new bill wants to achieve. They want to achieve the sustained yield operation of timber and it is obvious that they have in mind the wildlife protection, which we agree to, and also the matter of the water.

It is just a question of which modus operandi you think is most effective. We feel that the best means and the most effective way is under the conditions described in S. 2047.

Senator NEUBERGER. Thank you very much, Mr. Smith. I take it that your position is somewhat similar to that of Mr. Penfold, of the Izaak Walton League. You prefer S. 2047, the Federal purchase bill, to the alternative proposal, S. 3051, but confronted with a choice you would prefer S. 3051 to allowing the present Termination Act to run its legal course.

Mr. SMITH. That is properly stated, Mr. Chairman. That is exactly our position.

Senator NEUBERGER. I understand further that prior to the February 20 date, when the record will close, that you will submit a more comprehensive and fuller statement on behalf of yourself and your associates, is that true?

Mr. SMITH. Yes, sir, and we hope it is a bit more articulate.

Senator NEUBERGER. You are always very articulate, Mr. Smith.

Mr. Coburn, do you have any questions?

Mr. COBURN. I assume that you have given consideration to the problem that would be involved if private enterprise did buy a number of these units, insofar as multiple use is concerned.

Mr. SMITH. I am glad that you brought that up, and I, as a conservationist, should not have overlooked it. This is a rather significant difference between S. 2047 and the other bill. Multiple use in the broad gage of a national forest is obviously going to be carried out much better than could conceivably be carried out in the individual units. Recreational areas is a case in point, as well as all of the other items involved.

I think that is a very significant difference in the bill, and I think certainly, once again, it indicates the more meritorious position of S. 2047.

Mr. COBURN. Have you given any consideration to the rights of the Indians?

Mr. SMITH. We have given a great deal of consideration to the rights of the Indians, but frankly we suffer from more confusion here than anything else.

What we are trying to find out is this: There are a number of spokesman for the Indians, and some are self-appointed, as the committee I am sure is aware of, and there are others that are genuine, and obviously there are differences within the tribe. Our problem is trying to find out exactly what the Indians want to do, and exactly how to accomplish it. At the present time, we are confused on the subject and we think it is important.

Mr. COBURN. Do you think they should retain whatever hunting and fishing rights they have in this area?

Mr. SMITH. I would assume so, offhand. This is a matter I have not gone into in detail. I think the reason I have not gone into it in detail is that I automatically assumed that they would. Now, I assume you mean they would retain hunting and fishing rights in this area if S. 2047 was passed. I do not quite see how you could accomplish that under S. 3051.

Mr. COBURN. Assuming some of the units are bought by private enterprise?

Mr. SMITH. If they are bought by private enterprise, I would like to see them retain hunting and fishing rights, but I do not see how it would be possible.

Senator NEUBERGER. Thank you very much.

(The article submitted by Mr. Smith is as follows:)

UPROAR ON KLAMATH RESERVATION

Many people are suggesting Government purchase of these Indian lands when Federal control is terminated, to insure sustained-yield operations on the fine stands of ponderosa pine on the reservation.

(By Anthony Netboy)

Citizens of the Klamath Basin in eastern Oregon, and especially businessmen, are in an uproar about the possible consequences of the new Federal Indian policy as it affects the Klamath Reservation. In 1954 Congress enacted Public Law 587 calling for termination of Federal control over the Klamaths, living on an 850,000-acre, timber-rich reservation set up in 1864 when the Indians ceded to the United States 13,700,000 acres in southern Oregon and northern California.

The reservation contains one of the few remaining large tracts of ponderosa pine in the United States. It supports about 3.9 billion board feet of commercial timber, growing on some 590,000 acres. Of this total, about 1.1 billion board

feet is virgin timber standing on 90,000 acres and 2.8 billion is reserve growing stock on 500,000 acres of cutover forest. In addition to this tribally owned timber, there are 225 million board feet of merchantable timber on individual Indian allotments.

The reservation also contains about 400 million board feet of lodgepole pine, scattered throughout 154,000 acres, for which a pulp market is now appearing.

Management by the Bureau of Indian Affairs during the past 40-odd years has enhanced the Klamath forest's commercial value. Under present practices this forest is expected to have an allowable cut of at least 81 million board feet of saw logs annually for the next 8 years, and a sustained yield cut of about 63 million board feet thereafter in perpetuity.

The Klamath forest is not only the core of the upper Klamath watershed but contains 26 percent of the total commercial forest area in the basin and 26 percent of the sawtimber volume in Klamath County. Lumber is the heart of the local economy. Its sawmills are now cutting about 300–350 million board feet annually, of which about a fourth comes from the reservation. Since lumber represents about 40 percent of the total value of products produced in the basin, reservation timber sustains at least 10 percent of the economy.

II

With this background of reservation timber values, we may better understand the meaning and implications of Public Law 587.

Under the terms of the law, the Secretary of the Interior is directed to:

1. Have an appraisal made of all tribal property, showing its fair market value by practicable logging or other appropriate economic units;

2. Give each adult member of the tribe an opportunity to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in a management plan;

3. Determine * * * the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interest converted into money, arrange for the sale of such property, and distribute the proceeds * * * ; and

4. Cause a plan to be prepared * * * satisfactory to the tribe and to the secretary for the management of tribal property through a trnstee, corporation, or other legal entity.

All these actions must be accomplished before August 13, 1958—about 20 months hence.

Former Secretary of the Interior McKay appointed Messrs. Watters, Phillips, and Favell, Klamath Falls management specialists, to appraise the value of the tribal property and draw up a management plan in line with the wishes of the tribal members. The appraisal is expected to be completed by February 1957.

In preparation for termination of supervision of the reservation the Bureau of Indian Affairs, in cooperation with the management specialists, is endeavoring to formulate policies that will not only meet with the requirements of the law and the desires of the Indians, but be most beneficial to the entire Klamath Basin. At once, an unavoidable dilemma confronts them.

Based on the findings of a survey made by the Stanford Research Institute, about 70 percent of the Klamath Indians will probably elect to withdraw from the tribe, take their share of the common assets, and sever all economic ties with the Government. If this were to happen, the Secretary of the Interior would have to sell as much as 2.7 billion board-feet of tribally owned timber before August 13, 1958. At the same time, restrictions on the sale of timber from the allotments would be lifted—making another 225 million feet available for purchase. Almost 3 billion feet of ponderosa pine would thus be thrown on the market, to be sold within a period of about 1 year, if termination is to be accomplished by the deadline set by Congress.

III

The dumping of so much stumpage in a rush sale, in an area with an installed sawmill capacity of 300–350 million feet per year, would have serious consequences. It would upset the price structure. All timberland owners in the region would be affected and the ramifications would hit the entire western pine market.

Moreover, the Government would be hard put as to the manner of selling the Indian timber. If the stumpage were offered for sale in large blocks, the price

obtained would be less than if it were sold in small units. Yet the law says that the Secretary, in handling the liquidation, must get a fair market value. How to solve this dilemma is a matter with which the Management Specialists are struggling.

Conservationists are alarmed because any large-scale sale of the timber in small units would most likely jeopardize sustained-yield operations. Earle R. Wilcox, a forester well acquainted with the reservation, points out that, "although an operator could purchase a large number of small economic timber units on which to operate, it would still not be practicable for him to sustain his cutting over a long period of time unless he was able to obtain the timber at discounted or wholesale prices." In short, if liquidation of the forest is pursued on a small-block basis—the only way to get maximum returns for the Indians, as the SRI survey shows—the lands would be subjected doubtless to cut-out and get-out forestry.

If the bulk of the timber were sold to pay the withdrawing members of the tribe, the remaining stands, which would belong in common to the Klamaths who remained on the reservation, could not be operated as a perpetually producing forest. The decreased allowable cut would bring much less than the $3,000 per year, roughly, which every Indian family is now deriving from tribal property. Most likely, the remaining members, freed from Government control, would sell as much stumpage as the market could absorb, without any thought of perpetual yield.

Oregon has a law designed to protect the forest from too rapid cutting. But Wilcox points out that this law requires only that a few small seed trees per acre be left in cutting ponderosa pine. Were the Indian lands, he says, "to be cut again, during the next few years, without further restrictions over the cutting than those imposed under present State forest laws, the predicted growth per acre for the reserve ponderosa pine would drop to approximately 25 board-feet per year." This compares with 110 board-feet per acre possible under sustained-yield management.

The effects of the Termination Act, if carried out without amendments, would thus clearly be detrimental to the forest and to the economy of the Klamath Basin. "Our present thinking is," says T. B. Watters, one of the management specialists, "that if this bill is carried out as written and strictly followed, one of the finest stands of timber in the United States will be destroyed."

"Even if all the Indians stayed in the tribe," he adds, "and formed a corporation to manage the timber, the reservation still wouldn't be a good investment. It's not economically sound. The payments would drop to $600 a year per person (compared with $800 at present) in the 1960's when we're cutting second-growth stands. After taxes of $200,000 a year and overhead, plus fire hazards, the Indians' return on the $80 million investment will be less than 2 percent." The solution envisioned by him is that the Federal Government buy the reservation from the tribe, possibly with United States bonds, to assure continued operation of the forest on a high-yield level.

IV

What of the Indians? What is their attitude toward termination?

There are 2,095 persons on the tribal rolls, of whom 1,150 live on the reservation. Every man, woman, and child is entitled to a share of the communal assets. Since rough estimates place the value of the timberland at $80 million, each stands to acquire $40,000 if all the communal property were sold. It is this opportunity to get a lot of money that is the chief inducement to withdraw.

The Stanford Research Institute survey showed that the younger Indians generally will choose to withdraw, while the older folk feel they cannot leave an area where they were born and spent all their lives. Many of the Indians, however, are confused. About 45 percent of those interviewed had made up their minds, but the remainder were not yet sure what they would do. At least a third mistakenly thought they could both stay in the tribe and sell their share of the tribal property. The older people were generally vague about the meaning of termination. They want to continue to receive a good income from tribal lands, without working it, enjoy all the hunting and fishing privileges, have access to Government services, and still gain their freedom.

There is a sharp divergence in attitude among members of the tribal council. Some do not believe the Klamaths are ready to take on the management of their own affairs. Only about 60 percent of the Indians have had a high-school education, and a substantial proportion no more than a grammar-school education. A relative handful went beyond high school.

According to a Klamath Agency report: "The Indians on the Klamath Reservation are receiving a very poor education. The chief difficulty is the attitude of the people. Lack of education is reflected in the scarcity of skilled workmen and the total absence of professional people. Education is the yardstick by which we measure the ability of any people to make their way in our complex society, and it is unfortunate that the Klamath people do not nearly measure up to their non-Indian neighbors."

Boyd Jackson, a member of the tribal council, succinctly summarized the attitude of many leaders when he told a Wall Street Journal reporter: "Our people are less prepared to manage their own affairs today than 40 years ago; we need more time." If termination is not postponed, he added, "it will throw the Klamath Tribe into chaos and the members in the poorhouse."

On the opposite side are the views of Wade Crawford, ex-superintendent of the Klamath Agency and member of the tribal council. At a hearing in Portland on October 30, 1956, he charged that the Bureau of Indian Affairs was dilatory in carrying out the termination act and that "the management specialists have done everything they could to disrupt the tribe."

An objective student of the Klamath problem, Prof. L. S. Cressman, head of the Anthropology Department of the University of Oregon, argues that the law terminating Federal control is a forced social change which will suddenly destroy a pattern of life in existence since 1865. The Klamath Indian, he says faces an emotional crisis in the shift from wards of the Government.

"Reassurance must be given the people that they are not being victimized and the community into which they must be absorbed as equals must actively participate in helping them to provide the basis for hope and reassurance."

V

Those who know the Klamaths well generally believe that termination should not be rushed. They predict that many Indians, when they receive their share of the tribal property, will not invest it wisely but drink and gamble it away and wind up—as one Klamath Falls businessman says—on the county relief rolls. According to the SRI survey, those people who plan to take a cash settlement for their equity have definite plans for using their money but do not feel quite so confidnt about their neighbors. More than half of them said that other Indians would waste the money, would not hold on to it, etc.

The BIA meanwhile is proceeding with plans to meet the termination requirements. On August 13, 1956, it opened a relocation office in Klamath Falls where Indians can get advice on termination. The Bureau is encouraging them to go to the big cities—Los Angeles, San Francisco, Denver and Chicago—where there are fairly large concentrations of former reservation Indians from all parts of the United States.

VI

While the BIA has not yet formulated the amendments it will suggest to Public Law 587, as requested by Secretary Seaton, Democratic congressmen in Oregon have already made it clear they will push for remedial action to avoid a catastrophe both to the Indians and the pine-clad forests.

Senator Neuberger has indicated that he is ready to sponsor the necessary changes in Public Law 587 that would allow Government acquisition of the lands in order to guarantee sustained-yield operation of the forest, perhaps by turning them over to the Forest Service. Many Forest Service people favor such a solution to the problem.

One thing is certain. The dilemma which the Klamaths face will be reviewed by Congress in the next session. There is almost unanimous agreement that Public Law 587, as requested by Secretary Seaton, Democratic Congressmen in ramifications to both the people and the land. It will be up to Congress and the Department of the Interior to work out a solution that meets with the human and conservation requirements.

Senator Neuberger. I just want to say this for the information of the people here, that tomorrow will be the concluding day of this hearing.

I am going to start at 9:45 rather than at 9:30, because I am going to the annual prayer breakfast for Members of the Senate and House which will be presided over by my good friend, Senator Carlson, tomorrow morning. So I am going to start about 15 minutes later.

It is my intention to reserve tomorrow for the witnesses who will represent various viewpoints among the Klamath Indian Tribe and among the Indians in that area.

I just want to say that for their benefit, so that they will know to be present here tomorrow as they have been in previous days.

Perhaps today we can conclude with the people from the non-Indian population, who have attitudes and information on this.

I think Mr. Leonard Netzorg, who is representing the Western Forest Products Industry, is here, and he has indicated a desire to testify. Is he here?

Mr. Netzorg, we will be pleased to hear from you at this time.

STATEMENT OF LEONARD B. NETZORG, REPRESENTING THE WESTERN FOREST INDUSTRIES ASSOCIATION, PORTLAND, OREG.

Mr. NETZORG. I am Leonard B. Netzorg, a lawyer of Portland, Oreg., and I appear here today on behalf of the Western Forest Industries Association. The association is a trade association consisting mainly of loggers and lumber operators, and timber manufacturers in the Western States. Mainly they are in western Oregon.

There are about 125 members of the association. In size they range from those who produce about 8 billion feet of lumber products per year up to 120 billion feet per year.

I think possibly it might be not improper to state my own experiences in this particular field. I spent approximately 15 years, with time out for military service, in the Department of the Interior. Four of those years I spent in Portland, Oreg., as regional counsel for the Bureau of Land Management and at times acting regional administrator.

That is an agency which manages several million acres of timber in Oregon. In addition to that, I served a time as associate chief counsel of the United States Bureau of Indian Affairs. I have been out of the Department for about 3 years now.

I should like to make one point clear at the outset. There is a view held in come circles that this is mainly a local problem of the State of Oregon. I think that is not the case. The Congress for many years has been considering how it shall handle the so-called termination program. Shall there be a "termination program" and how shall it be handled fairly and equitable to all concerned?

It is my opinion, and I hope to define this for you, Senator, that if the existing statute 587 is carried out, the results of that program on the public mind and on the resources and on the people will be such as to set back any further reasonable possibility of an orderly "termination program" by, I would think, a quarter of a century.

I say this without meaning any disrespect to those who voted for Public Law 587. The factual situation at the time, insofar as facts were available, it seemed a reasonable thing to do. Information as to the number of Indians seeking to withdraw from the tribe was not very full and insofar as we now know it was not very accurate. But this is hindsight.

At the time it seemed reasonable and as circumstances and facts have developed it is now to my mind totally unreasonable.

As I say, then, if Public Law 587 is allowed to continue and grind through to what I think is its tragic end, a national policy is going to be seriously affected.

For that reason, I say, this is not alone the problem of the people of the State of Oregon.

Secondly, I want to talk for a moment about the timber resources' review of the United States Forest Service. Senator Quiring referred to it extensively the other day and I do not think there is much need to go into it much further, except to point out that ponderosa pine is a softwood species and produces saw logs.

In terms of saw-log production in the United States in millions of feet, the 1952 production was thirty-three billion. The estimate or production of the Forest Service goes up to thirty-six billion and for the year 2000, forty-one billion feet. Where this stumpage is to come from is not yet clear in terms of softwood lumber.

It seems important, therefore, that this reservoir of saw logs which can be made available to us perpetually should not be destroyed at this time.

The situation with this background is the reason I think this is a national issue. We are now confronted with three choices: Public Law 587, and Senator Neuberger's bill, or the Department's bill.

I would like first to eliminate from consideration Public Law 587 as a desirable measure. In the first place Public Law 587 will compel a forced sale of timber. It is now thought to be about 70 percent of the reservation. Whether it is 70 percent is not known as of this date. This is a prediction made by very able persons who took a sampling a year or two ago of attitudes. But attitudes change. One needs only to look at the Gallup poll from day to day to see swinging views of political questions and other questions. Attitudes do change.

What the vote would be today in terms of the number of Indians or proportion of the claimants who want to sever their tribal relationships is not known. It may be conceivable that 95 percent wish to leave and maybe again only 20 percent wish to leave. This, as I say, I do not know. But whatever is done, those who wish to leave will be entitled to have some of that timber put on the market and it is going to be put on the market on a forced-sale basis.

Prospective purchasers know that you simply must sell that stumpage by a date certainly 2 years hence. This cannot possibly produce a fair price. You have willing buyers, and you have sellers who are well versed but your sellers are under compulsion to sell.

Now, I raise this particular point, Senator, even though I represent timber companies. Timber companies want to get timber at reasonable prices but there has been testimony or statements before this committee by an organization which purports to speak, I take it, for the timber industry, which has been advocating sales under Public Law 587.

That organization does not speak for my members, for the members I represent. The constituent members of that organization, its constituent members in the West have not so far as I know issued any public statement of their position.

We think, as timber operators and as citizens, that the Indians are entitled to a fair price and we do not believe that they will have a fair price if that timber is dumped on the market under the conditions proposed by Public Law 587.

Now, we are in a strange position, I know, to argue that the price we pay ought to be higher but that is simply our position. If we cannot treat these people fairly, we would rather not have this timber on the market.

This forced sale again, as I say, so far as I am aware, has been opposed by many of the Indian tribal representatives. The executive branch of the Government now seems to be opposed to it and individual timber operators who have testified before this committee at prior hearings have opposed it.

Outstanding bankers of the State of Oregon have opposed it and the newspapers have opposed it and the churches have opposed it and as you have seen here the Republicans and Democrats have opposed it. There is very little more, I think, that can be said with respect to that.

Now, at this point, again considering 587, I would like to go into a matter on which I am not too much of an expert. I would hope to open the subject in the hope that those who know more about it might add to the information.

Senator NEUBERGER. I was going to say one thing for the record, for your own convenience. We are operating on a somewhat restricted schedule and I just wanted to mention that because we do have a good many witnesses.

Mr. NETZORG. If 587 goes into effect, timber operators will buy varying sizes of tracts and presumably, under the prices they pay, they would be forced economically to cut that stumpage off. It has been said by some that there is little to lose and little to fear because the land will move into tree farms. Now, the report of the management experts points out that this soil is composed of volcanic ash with alluvial deposits in stream bottoms and the entire area is underlaid with lava rock formation.

The precipitation varies from 14 to 24 inches per annum but almost all of this is in the form of snow in the winter. The rainfall during the growing season is very slight. The temperature range in the area is from minus 10° to plus 95°. As a result of this condition the soil temperatures in much of the area tend to be quite extreme.

As a consequence of this type of soil, this type of precipitation, and the heat, I understand that among the researchers and experts in this field there is considerable doubt that if this forest is cut off it can be restocked. There are now 20,000 acres of this reservation already unstocked; that is, former timberland unstocked. I am told by the experts that there is a very real possibility, if this timber is cut off and thereby the shade is destroyed, we may convert this forest or a substantial part of it into a new desert.

The Department's bill is one that we do not favor. We would prefer it, certainly, to 587. We would not prefer it as against the bill that Senator Neuberger has introduced. It seems to us that, if this timber is to be sold in blocks and sizes indicated, there are very few operators, if any, who can purchase.

I think there has been testimony to that effect in the record from individual operators, including a representative of the second largest operator in that area. If it is thought that outside people could be brought in to purchase this timber in sufficient blocks to get a sustained-yield cut to support 50 percent of the requirements of an efficient mill, then we are simply adding new capacity to an area which cannot stand new capacity, and we will simply put other mills out of business

and simply dislocate the economy. This is not a desirable thing, we believe.

We are unhappy with a provision in the Department's bill which would propose to have private property supervised by Government employees. We think this is not necessary, and it is a technique evolved with the cooperative sustained-yield-agreement type of arrangement some years ago, and both the Department of Interior and the Department of Agriculture have now reported they no longer support that program and we had hoped that we would be done with it.

What the bill means, the Department's bill means in terms of sustained yield, again, I do not know. Sustained yield is a concept and it means a great many things to a great many people. The Forest Service today is holding a series of very important conferences among its own staff, trying to discuss techniques and ways of approaching allowable cuts and of calculating and trying to get what is a sustained yield.

Our position, therefore, Senator, is, first, to support the bill which you have introduced. We think that Federal acquisition, in the long run, is the most desirable solution to this very difficult problem which now confronts us. Federal acquisition will permit true multiple use of this forest. We are concerned, as a trade association of timber operators, that there be full multiple use of the forest.

We have certain reasons for that. We use the forests ourselves, personally, for recreation. We have a further reason. We find there are groups who would like to lock up great parts of the forests for their exclusive use and exclude timber and other economic uses of the forest. We oppose that. We oppose it because we adhere to the principle of multiple use. We want to use those forests for their economic benefits, and we want other people to be able to use the same forests for recreation and for hunting and fishing and for all of the various uses to be gotten from that. We think that, if the Government regains this forest, it will maintain a perpetual reservoir of raw materials. If the Government will not operate the raw material, it simply maintains a reservoir of it.

Free private enterprise—a competitive enterprise can continue to exist in that area. In the absence of Federal maintenance of that reservoir of raw-material supply, we think there will be some considerable harm resulting.

The statement I had hoped to make would have been longer, Senator, and more detailed, but I do understand fully the time limitations in which you find yourselves and at this point I would stop and answer any questions that you may want to present.

Senator NEUBERGER. Thank you very much, Mr. Netzorg. We appreciate your consideration of our schedule, and we value your views because we know that you have had long experience in Government service and as a private attorney representing important segments of the lumber industry in the Pacific Northwest.

Do you have some questions you would like to ask, Mr. Coburn?

Mr. COBURN. I do not want to take too long.

Senator NEUBERGER. The schedule is secondary to developing the information we need for the consideration of the bills.

Mr. COBURN. I was interested in one part of Mr. Netzorg's testimony having to do with what I would call the unknowns that face

this committee. Is it a fair statement, or a fair summary of your statement, that the committee doesn't know a number of things that it should know in order to legislate intelligently on this subject? For example, as you pointed out, isn't it true that we don't know how many, or we don't know precisely how many of these Indians want to leave the reservation; is that correct?

Mr. NETZORG. That is correct.

Mr. COBURN. Not knowing that, how can we know what the cost is going to be? Is that also in line with your statement?

Mr. NETZORG. I think that we cannot know what the cost is going to be, and, if I may amplify that, I think, if the Congress were to pass a bill and fix a price, we would still not know what the price is going to be.

I think that this reservation and this magnificent stand of timber has been under the custody and control of the Government of the United States of America, Senator, for 93¼ years now. It is now proposed to get rid of it, all or part, within a period of 2 years, or to appraise it as though it were going off in a period of 2 years. I think that this gives rise to the possibility, ultimately, of litigation to get what will be a fair price no matter what is the price that the Congress sets.

I think this is a very real possibility. I mention it, and let me expand that for a moment, if I may, Mr. Coburn. If the Government buys the reservation and puts it in the national-forest system, and, ultimately, if there is a judgment in the Court of Claims against the United States, the United States will pay that judgment and the Indians will have received a fair price and the United States will have a national forest to show for it. Under 587, however, the same results can occur, and, as a matter of fact, it is not unlikely that the judgments might even be higher and we would not have a forest to show for it.

Mr. COBURN. May I interrupt? Isn't that also true under S. 3051?

Mr. NETZORG. Under S. 3051 it would be true to the extent that any of the lands may end up in private hands.

Mr. COBURN. When you come right down to it, weighing all of these factors, Mr. Netzorg, as a committee we really do not know the costs involved and we do not know with any reasonable degree of certitude how this thing eventually will work out, whether it will be to the benefit of the Indians or to the benefit of the economy of the Klamath Basin.

We are dealing, as I see it, with a large number of "unknowns." That is what I wanted to get on the record, Mr. Chairman.

Senator NEUBERGER. Of course we are. It reminds me of what Mr. Churchill said of Russia, "It is an enigma wrapped up in a mystery inside a riddle." There are so many things we do not know about this. There is the cost, a great many human factors involved, and both the Undersecretary of Interior and the Assistant Secretary of Agriculture and all of their associates testified that they had really no tangible or definite knowledge as to who, if anybody, would attempt to purchase this timber under S. 3051.

There might be many bidders and there might be absolutely no bidders. Mr. Wilcox, the forester for the Department, a specialist with wide experience in the Klamath area, testified himself that he thought under the appraisal that had been reached there would be no bidders.

Mr. Chilson testified that he had some indications that there would be bidders. We are dealing with a great many "unknowns,' 'but we still have to legislate.

Mr. NETZORG. There is one "known," Senator, if I may interrupt. That is the time schedule of 587. That is the true fact that is known.

Senator NEUBERGER. You mean it would be calamitous if allowed to run its course.

Mr. NETZORG. Yes, sir.

Senator NEUBERGER. I want to ask you several brief questions, Mr. Netzorg. As I gather, you represent lumbermen who might be called smaller or medium-sized lumbermen, is that right?

Mr. NETZORG: I think by the definitions here they would range from medium-sized to quite large, Senator.

Senator NEUBERGER. Are they concerned about the two precedents that might be abolished by S. 3051? They are these: First, attaching a sustained yield covenant to timberlands sold into private ownership, and, secondly, to sell timber under Government auspices in these very large and costly blocks. Are they concerned about this?

Mr. NETZORG. We are gravely concerned about the size of the blocks. I do not know what our view would be with respect to a sustained-yield covenant. If it were merely a sustained-yield covenant, but to the extent that a young forester can be sent on this land and 1 forester today and a different one next year and 2 or 3 different ones the year after that to control in effect or have a substantial control or key voice in how private industry will protect an investment which may run into many millions of dollars, that is a precedent which disturbs us greatly.

This association resisted that idea when it came out from the administration in power in 1944 and we feel equally unhappy about it when it is proposed in 1958.

Senator NEUBERGER. How would you feel about a proposal that any bidder on the lands under S. 3051 be required to manage his previously held lands under the same sustained-yield operations that these new Klamath lands would be managed?

Mr. NETZORG. Such a proposal, to my mind, would further restrict the number of persons who could possibly bid on this land.

Let me be explicit. There are operators down there who own substantially no timber at all, and they exist on this reservoir of public timber that comes off the public domain, the Klamath Reservation, and the various national forests. Such an operator might have an opportunity to buy from a farmer or a landowner, let us say, a small patch of 200,000 board-feet of stumpage. If he were required to maintain that on a sustained yield, as I understood the proposal, he might be cutting a tree every 3 or 4 years. He simply can't afford to cut those tress.

Now, trees when they are ripe, ought to be harvested. There are times when sustained yield simply doesn't work and you may cut that 200,000 feet and replant it. It comes up again. But the restriction on the number of buyers just limits this thing to 2 or 3 people, probably.

Secondly, we would be concerned on having Government again coming further and further and further into the field of the control of private investment. I think this sustained yield is spreading and operators are engaging more and more in sustained yield and not because of any governmental compulsion.

They are doing it, Senator, because they are learning and they have learned the hard way that conservation is profitable to the extent that the Government seeks to impose regulations that are going to cause loss, I think that in a democratic country that type of regulation fails in the long run. Sometimes it fails in the very short run.

We would be strongly opposed to any extension of the idea that Government can send its employees onto these lands to jeopardize or take over the management or any part of the management.

Senator NEUBERGER. Have you any opinion, Mr. Netzorg, as to the wisdom and accuracy of the tentative appraisal figures which were presented several days ago by Under Secretary Chilson and his associates, I think of approximately $118 million for the timber and assorted values and up to $122 million for the other resources on the reservation.

Have you any opinion on that or none at all?

Mr. NETZORG. At that point I would defer to any number of people in this room who are far more versed in that.

Senator NEUBERGER. We have had some opinions from people in this room and they are not all of the same opinion. That is why I wondered whether you folks have had any opinion on this particular appraisal.

Mr. NETZORG. Senator, the appraisal figures reached us while we were here in Washington and we have had no opportunity to consult with people in the area who are familiar with the reservation and its details.

Senator NEUBERGER. Are there any other questions?

Thank you very much for coming here today. We certainly appreciate it. We realize you have come a long way, and we think it is important that we have the viewpoint of important segments of the lumber industry.

I want to say this for the record: I, personally, as chairman of the subcommittee, am very grateful that the Western Forest Products Industry, represented by you, has chosen to put its opinions on the record. If I am not mistaken—I want the clerk of the subcommittee to corroborate or correct me on this—we have sent telegrams to nearly all of the leading lumber organizations and forestry organizations in the United States promoting the interests of one or another groups of lumber operators. Is that correct?

Mr. GAMBLE. That is correct, Mr. Chairman.

Senator NEUBERGER. And some of these would be the Western Pine Association and the National Lumber Manufacturers Association.

Mr. GAMBLE. The United States Plywood Corp. and several operators within the Klamath Falls area.

Senator NEUBERGER. In fairness to those in the Klamath Falls area, so that we do not put them in with some of these national groups, I believe quite a few in the Klamath Falls area do belong to the Klamath Falls Chamber of Commerce, if I am not mistaken. They did present very substantial testimony, so I cannot say whether these do or do not. But in fairness some of them do belong to the Klamath Falls Chamber of Commerce and may have been represented when their industrial chairman did testify.

Mr. NETZORG. May I say also that one of the substantial operators in this area is now a member of Western Forest Industries Association.

Senator NEUBERGER. Which one is that, just for the sake of the record? Would you care to divulge that or is that confidential information?

Mr. NETZORG. At the moment I would just as leave have it off the record. I would be happy to furnish it to you later, Senator.

Senator NEUBERGER. The list of organizations is in the record but there are many more lumber organizations to which we scrupulously sent telegrams. I insisted on that to the clerk of the subcommittee, groups like the Westcoast Lumbermen and the National Lumber Manufacturers, which is an association. Are they included?

Mr. GAMBLE. Yes.

Senator NEUBERGER. Did we send a telegram to the Industrial Forestry Association?

Mr. GAMBLE. Yes; we did, Senator. From some of them, I may say, we have some responses that have come in in the form of telegrams and some letters, all of which have not been placed in the record yet.

Senator NEUBERGER. Have we received statements giving their views on the legislation?

Mr. GAMBLE. We have received some but we have not received statements from all of them. For example, the National Lumber Manufacturers Association has not responded by submitting a statement to the committee, even though we have sent them 2 or perhaps 3 notices of this hearing.

Senator NEUBERGER. I think this is important because, unless I am mistaken, for many years to come, in the United States, one group or another is going to advocate, as has been done in the past, sustained-yield covenants follow land sold into private ownership, and other controversial aspects of some of this legislation.

I believe it is very important for the record to show that these groups were invited to submit testimony, if they cared to do so, and most of them did not do so. It was even suggested to me that I subpena some of them so that their views, willy-nilly, would be extracted. I, personally, am not one who particularly favors the use of subpenas by congressional committees but I do think that the record of this subcommittee hearing should expressly set forth the fact that some of these leading lumber organizations did not choose to avail themselves of the opportunity which was politely, and I think, graciously extended to them to present their views on these bills.

The record should show that.

We have just a few more minutes before the Senate convenes and then we will have to conclude.

Is there anybody who has some very brief views that they would care to set forth?

Mr. GAMBLE. If I may, the representative from the American Association on Indian Affairs requested an opportunity to submit a statement. I do not know the extent of that statement, but perhaps if it is not too long it could be presented at this time.

Senator NEUBERGER. Mr. Pozen, you are representing the Association of American Indian Affairs?

Mr. POZEN. Yes, sir.

Senator NEUBERGER. Do you care to submit a statement for the record later on?

Mr. POZEN. We do, Mr. Chairman.

Senator NEUBERGER. Do you care to do that in testimony before the committee or in writing prior to the 20th of February?

Mr. POZEN. I think it will be in writing.

Senator NEUBERGER. And you did hear that the record will be kept open until February 20 so you will have, I think, ample time to submit your statement in writing.

Mr. POZEN. Yes, sir.

(A further communication from the American Association on Indian Affairs appears on page 568 of the appendix.)

Senator NEUBERGER. Thank you very much, Mr. Pozen.

We will be in recess, then, until 9:45 tomorrow morning, Thursday, and our witnesses tomorrow will be representatives of the various groups and various viewpoints of members of the Klamath Tribe and people on the Klamath Reservation.

We will stand in recess, then, until 9:45 or soon thereafter tomorrow morning.

(Thereupon, at 11:51 a. m., the subcommittee was recessed, to reconvene at 9:45 a. m., Thursday, February 6, 1958.)

AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

THURSDAY, FEBRUARY 6, 1958

UNITED STATES SENATE,
SUBCOMMITTEE OF INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 9:45 a. m., in room 224 of the Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee) presiding.

Present: Senator Neuberger.

Present also: William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McSherry, assistant chief clerk.

Senator NEUBERGER. The committee will come to order.

I would like to put some material in the hearing record. The subcommittee received a telegram yesterday from Mr. Frank Jenkins, newspaper publisher, of Klamath Falls, and Mr. Glenn L. Jackson, indicating that they would like to submit for the record later on an alternative proposal regarding the use and sale of the timber on the Klamath Indian Reservation. I wired them accordingly, pointing out that the record would be open until February 20 and that we would be pleased to receive their plans and suggestions by that time for inclusion in the record.

So that the record may be complete, I am going to submit, without objection, the telegram from Mr. Frank Jenkins and Mr. Glenn L. Jackson, along with the reply of the subcommittee chairman sent to each of them at their respective communities.

(The communications referred to follow:)

MEDFORD, OREG., *February 4, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

In view of the critical nature of the situation involving satisfactory amendment to the Klamath Termination Act of 1954 and the serious problems which could occur if this resource is not acquired by the Federal Government and administered in a manner to assure perpetual raw-material supplies to the wood-using industries, both present and potential, in the Klamath Basin and provide adequate protection to the tribal members. We would ask that the record of your committee be held open pending receipt of a suggestion which might be considered as a possible alternative in the event legislation to provide for acquisition by the Federal Government of the tribal lands in the Klamath Reservation fails to receive affirmative action by the Congress.

FRANK JENKINS.
GLENN L. JACKSON.

SENATE INTERIOR COMMITTEE,
SUBCOMMITTEE ON INDIAN AFFAIRS,
February 5, 1958.

Mr. FRANK JENKINS,
Flamath Falls Herald and News, Klamath Falls, Oreg.
GLENN L. JACKSON,
Medford, Oreg.:

Pursuant to your telegram of February 4, will be pleased to hold record of Senate subcommittee open until February 20 for purpose of receiving cogent and pertinent information. Trust you can have your suggested alternative plan available for hearing record by that time.

Kind regards.

DICK NEUBERGER,
United States Senator.

Senator NEUBERGER. We have on the stand the Indian groups and their attorney.

We do have a statement sent to us by Mr. Thomas B. Watters, who is presently the only remaining member of the three Management Specialists appointed by the Interior Department to administer the affairs and resources of the Klamath Tribe during the termination period. Naturally any statement from Mr. Watters is extremely important because he has been charged with this vital responsibility during the past 3 or 4 years.

It seems to me his views are so important that they should not merely be included in the record in perfunctory fashion, but we should ask Mr. Earle Wilcox, the forester of the Management Specialists, who has been here with us, to read Mr. Watters' statement.

Mr. Wilcox, will you come up here and present the statement on behalf of Mr. Thomas B. Watters.

Mr. Wilcox, we are glad to have you here again. We have been pleased by your attendance and I want you to assure Mr. Watters of our appreciation for his statement. We value Mr. Watters very highly, and I personally should like to commend the diligence and the great faithfulness he has brought to this very vital responsibility he has had.

STATEMENT OF EARL R. WILCOX, FORESTER, MANAGEMENT SPECIALISTS, KLAMATH FALLS, OREG.

Mr. WILCOX. My name is Earle Wilcox. I am a forester presently employed by the Management Specialists. I reside at Klamath Falls, Oreg.

Prior to working for the Management Specialists, I worked for 3 years as forest manager of the Klamath Indian Reservation.

Before reading Mr. Watters' statement, I would like to have the permission of the chairman to make a few comments of my own.

Senator NEUBERGER. Please go right ahead, Mr. Wilcox.

Mr. WILCOX. These comments are a means of qualifying for the record certain comments which I expressed Tuesday in answer to questions asked me pertaining to the appraisal figures furnished to this subcommittee by Under Secrteary Chilson on Monday.

I would like for the record to show that these expressions were my own opinion and are not necessarily the views of the Management Specialists. I believe that it is well to point out, too, that I do have a broad knowledge of forest conditions and management problems within the Klamath Reservation. However, I have never claimed

that forestry appraisal was my specialty, and such appraisal is a specialized field. I have had considerable experience however, in appraising relatively small tracts of forest property.

I also emphasize that seldom will two appraisers have the same opinion concerning the value of a forest property. The fact that I have stated that my opinion of the realization values which were submitted to your subcommittee were substantially different than those of the appraisal contractors was not meant to imply that the appraisers' value was not as good as or better than my own.

In this respect, it is well to point out that the Management Specialists original proposal for acquisition specified that such acquisition should be on a very generous basis, so there would be no question whether the Federal Government fulfilled its obligation to the Klamath people.

It is my own personal opinion that the appraisal information now in the hands of the subcommittee is an expression of such a generous appraisal.

Those were the comments I had of my own, and if it is all right with the chairman, I will proceed with the reading of Mr. Watters' statement.

Senator NEUBERGER. Please go right ahead.

STATEMENT OF T. B. WATTERS, CHAIRMAN, MANAGEMENT SPECIALISTS, KLAMATH FALLS, OREG. (AS READ BY EARLE WILCOX)

At the hearings of the Senate Committee on Interior and Insular Affairs held at Klamath Falls, Oreg., on October 18, 1956, the Management Specialists submitted their first formal proposal for Federal purchase of all of the tribally owned lands of the Klamath Indian Reservation. This proposal was offered as the best of many possible solutions of the Klamath dilemma that had been studied in detail by the Management Specialists prior to preparation of their formal statement.

A detailed analysis of the Klamath problem is contained on pages 61 to 80 of the record of the October 18, 1956, Klamath Falls hearings.

The reason why the Management Specialists proposed Federal purchase was that such purchase presented what appeared to be the simplest and most direct manner for achieving termination of the Federal Government's present trust responsibility and for providing, at the same time, reasonable assurance for obtaining the two principal objectives which must be accomplished by any successful terminal legislation. These two principal objectives are:

1. The safeguarding of the interests and welfare of all members of the Klamath Tribe.

2. The safeguarding of the long-term economy of the community in which most of the tribal members shall continue to live.

Although the two necessary objectives may first be considered as separate, in the final analysis it is impossible to jeopardize the interests of the community without jeopardizing the interests of all segments of its population, including those tribal members who shall continue to reside in the Klamath Basin.

Subsequent to submission of the formal report by the Management Specialists on October 18, 1956, many individuals and organizations

have supported their recommendations for federal purchase. However, the first definite action toward implementing these recommendations was made in bill S. 2047, introduced during the first session of the present Congress by Senator Richard L. Neuberger, chairman of the Indian Affairs Subcommittee.

Since introduction of this bill, the Senator has aggressively sought the views of persons in the State of Oregon through hearings held at Klamath Falls and Portland on October 2 and 4, 1957. The present hearing is a further effort by Senator Neuberger to obtain early and desirable action by Congress on a matter that is of great concern not only to the people living in the Klamath Basin, but also to all persons residing in the State of Oregon as well as to many living in northern California.

It has been of great satisfaction to the Management Specialists that the statements submitted by individuals and organizations at the recent October hearings have preponderantly supported Senator Neuberger's and the Management Specialists' proposal for Federal acquisition of the tribally owned property of the Klamath Reservation. The Management Specialists are still of the opinion that no other proposal thus far considered offers as simple and direct a solution to the Klamath problem as does outright and undisguised Federal acquisition.

Nevertheless, there has been considerable opposition to such Federal acquisition—not so considerable in number of such opposing statements, perhaps, as in the comparative weight and authority possessed by the relatively fewer voices that have made such statements. Of particular weight have been those statement submitted by members of the lumber industry.

It is against this background of prior actions relating to Senator Neuberger's bill, S. 2047, that the Management Specialists have studied and are expressing their views concerning the merits of the administration's recent proposal, S. 3051, which the Senator introduced into the Senate "by request" on January 16, 1958.

The first step in an analysis of S. 3051 must be to determine whether the aforementioned two principal objectives of a successful termination program will be obtained under provisions of the bill. Careful study of the administration's proposal indicates that it is not only possible, but probable, that these two objectives will be obtained if S. 3051 is enacted.

The second step of the analysis is to determine whether the administration's proposal is a better solution than that offered by S. 2047. The administration itself admits that there are two major difficulties involved in their proposal which would not be present if S. 2047 were enacted. These 2 difficulties are outlined in the last paragraph on page 3 of Secretary Seaton's letter of January 13, 1958, addressed to the President of the Senate. These two frankly admitted difficulties are restated and discussed as follows:

1. The Federal enforcement of a sustained yield agreement will present administrative problems. The mere fact that such problems are acknowledged before the Federal Government is actually subjected to them should warrant careful consideration by Congress before accepting such responsibility on behalf of future administrations.

Speaking from experience in carrying out provisions of Federal legislation, the Management Specialists can assure the development

of administrative problems that are not only unforeseen, but are entirely new. Such problems may prove to be unusually costly in their administration.

2. There is a possibility that private industry may not be willing to pay the full market realization value for the forest land if it is subjected to sustained yield requirements. This possibility appears to be more of a probability judging from views expressed by the Weyerhaeuser Timber Co. at the hearing of the subcommittee at Portland on October 4, 1957. Indeed, Secretary Seaton's statement of this particular difficulty is but a restatement of the basic dilemma that is the Klamath termination problem.

We believe that the committees of Congress should explore the relationship of this basic dilemma to the Administration's proposal throughout its various ramifications.

The third and final step in analyzing the administration's bill is to view it as a compromise between the undisguised purchase of the Klamath tribal property provided by S. 2047 and the present law. Perhaps such a compromise has a reasonable chance for acceptance by Congress, despite the major difficulties outlined in Secretary Seaton's letter. If so, it may be wiser to support such a compromise than to cling to the more desirable solution that involves a much greater risk of having the present law carried out without amendment.

We remain firmly of the conclusion that it is essential that the present law be amended to prevent the completion of the termination program as now directed by statute. The legislative program, which best satisfies the political philosophies of the various interested parties, and effectively directs us not to complete the unrestricted sales program which we are required by the present law to complete, will have our enthusiastic endorsement.

Senator NEUBERGER. Thank you very much, Mr. Wilcox, both for your own statement and for presenting the views of Mr. Watters on behalf of the Management Specialists.

Several questions occur to me. To begin with, it is apparent from the statement by Mr. Watters that the Management Specialists believe that S. 2047, for the outright purchase, is the more desirable solution; is that true?

Mr. WILCOX. Yes, sir; I believe it is their opinion, or the opinion of Mr. Watters, that that is the better of the two solutions.

Senator NEUBERGER. Mr. Watters also believes that S. 3051, the administration proposal, is infinitely preferable to allowing the present termination law to run its course; is that also true?

Mr. WILCOX. Yes, sir; that is also true.

Senator NEUBERGER. There are several qualifications discussed about the administration's proposal.

Do you as a forester think that it will be very difficult to enforce and administer and support a sustained-yield program on any of these lands that are sold into private ownership?

Mr. WILCOX. As a forester, it is my opinion that it would be difficult in that there would be many new and different problems which would have to be faced. Any time that you undertake the solution of new problems, you are entering a field in which you have no precedent on which to base your action and no doubt your difficulties will be increased considerably over just straight administrative chores.

Senator NEUBERGER. What do you think in general of the wisdom of a policy of requiring sustained yield on lands sold from custodial situation or a trustee situation into private ownership? Do you favor such a policy in general?

Mr. WILCOX. As a forester, I am in favor of any policy which will guarantee the practice of sustained-yield management. If it is necessary to place custodial powers over those lands in private ownership, then it is just one of the necessary evils which should be undertaken to assure sustained-yield management.

Senator NEUBERGER. Do you think it would be wise to require that any lumber company who buys these lands must practice sustained yield, not only on the Klamath timberlands which it purchases, but also on its existing private holdings?

That proposal came before the subcommittee and that is the reason I ask you about it.

Mr. WILCOX. No, sir; I believe that the Klamath forest property should be considered separate and completely apart from other properties, and that the requirements imposed in the management of properties purchased on the Klamath Reservation should not extend to outside properties.

Senator NEUBERGER. I mentioned on Tuesday, if I am not mistaken, that it was your opinion as a forester experienced on the Klamath lands that no private purchaser would bid for any of these blocks of timber at the appraisal price which had been tentatively listed in the Under Secretary's testimony.

In addition, in the views that you have presented on behalf of Mr. Watters, a similar prediction is voiced. In fact, Mr. Watters' statement points out—

this possibility appears to be more of a probability, judging by views expressed by the Weyerhaeuser Timber Co. at hearings of the subcommittee at Portland on October 4, 1957.

Does it continue to be your view that there will be no private bidders for this timber under the existing situation?

Mr. WILCOX. Yes, sir; it still continues to be my view that private purchasers would not be able to pay the realization price, if they are restricted by the sustained-yield covenant.

I want the record to clearly indicate that that is my own opinion and it does not necessarily reflect the views of the Management Specialists. To substantiate my views, I would like to quote one sentence from the Weyerhaeuser statement, if I may. On page 159 of the official record of the October 2 and 4, 1957 hearings, we find this statement from the Weyerhaeuser statement:

Whoever purchases the timber cannot afford as a timber owner to practice sustained-yield forestry if he is required to pay the present liquidation value of the timberland.

My interpretation of liquidation value is that it is very close or almost synonymous with the realization value which has been indicated to you by the Department.

Senator NEUBERGER. Is it true that the Weyerhaeuser Timber Co. is the largest timber company operating in the Klamath Basin?

Mr. WILCOX. Yes, sir.

Senator NEUBERGER. Is it also the largest timber company in the United States, or approximately?

Mr. WILCOX. With some of the recent mergers, I could not say whether it is the largest, but it is one of the largest.

Senator NEUBERGER. I am trying to establish for the record that a spokesman and owner of the Weyerhaeuser Timber Co. has testified that in his opinion no timber operator, even as well capitalized and financed as the Weyerhaeuser Co., can afford to pay the realization price and then practice sustained yield.

Mr. WILCOX. Yes, sir; that is taken from their statement.

Senator NEUBERGER. I would like to ask you this question, based on your experience:

We have had two proposals come before us for converting this timber in one way or another to private ownership. One is the administration proposal that the timber be put up in blocks for sale at the realization price, in essence, but if there are then no bids upon it, that the Government purchase it to add to national forest holdings.

The other was the suggestion by Mr. Weyerhaeuser in the testimony you have quoted.

I believe in effect Mr. Weyerhaeuser proposed this: That private timber operators purchase the timber at a sustained-yield price and practice sustained yield, and that the Government make up the difference between the sustained-yield price and the realization or the liquidation price to the Indians, in effect that there would be a subsidy to the Indian owners of the timber to pay the difference between the sustained-yield price and the liquidation.

Of those two proposals the one made in S. 3051 and the one made by Mr. Weyerhaeuser, which do you believe is more practical?

Mr. WILCOX. My opinion is that S. 3051 is the more practical of the two solutions.

Senator NEUBERGER. Thank you.

I am inclined to share your view quite definitely, but you naturally have more technical experience in this field than I ever had.

Mr. WILCOX. I would like to qualify the reason behind my opinion.

It is that under the administration's proposal, the property would be opened by the Government. Sales of timber therefrom would be made available to all operators, large and small.

Senator NEUBERGER. That is, would be opened by the Government if no private bidder purchased the blocks.

Mr. WILCOX. That is right. That which was not purchased by operators, under the terms required of operators who would acquire the property, would be opened by the Government and would be made available to all operators large and small alike. They would all have an equal opportunity to bid on the timber that was put up for sale.

Under the Weyerhaeuser proposal, it would be very unlikely that any of the small- or medium-sized operators presently doing business in the Klamath Basin would be able to finance a sustained-yield sized unit.

Senator NEUBERGER. Thank you, Mr. Wilcox.

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Do you have any questions, Mr. Coburn?

Mr. COBURN. Mr. Wilcox, since we are dealing more or less in a series of assumptions as to what could happen, let's take the other side of the coin, so to speak, and assume that some private companies, for their own good reasons, decide to combine, or maybe even one company decides to purchase, under S. 3051 and decides to purchase all of the units up for sale. I realize this is quite an assumption, but it could be.

In that situation, what would be the effect on the Klamath Basin, assuming the sustained-yield covenant went with the purchase and they completely bought out all of those units?

Mr. WILCOX. The total allowable cut from the reservation would be maintained on the same level as it is at the present time. However, as I see it, there would be a probability that several of the small- and medium-sized operators presently operating in the basin would go out of existence because of lack of timber.

Mr. COBURN. What effect, if any, would there be on the Indians themselves under that assumption?

Let me phrase it another way.

Do you think under those circumstances the Indians would get fair compensation for what was sold?

Mr. WILCOX. Yes, it is my opinion that they would receive fair compensation.

Mr. COBURN. Following it up, Mr. Wilcox, what would happen to the land reserved for those who want to stay in the tribe under those circumstances?

Mr. WILCOX. That would be continued to be managed for those persons who elect to remain. It would be managed at least at the outset on a sustained-yield basis.

Mr. COBURN. Would it be any more difficult for them to operate those circumstances than it would be under a Federal acquisition of all of the units?

Mr. WILCOX. No; it should not make too material a difference in their operation.

Mr. COBURN. What about problems of access? I am looking at the map now. It would appear that they would be pretty much surrounded by either one owner or several owners.

Would that make any difference compared with their problems if the Federal Government had this same area?

Mr. WILCOX. There would be no problem there in that the reservation is fairly well crisscrossed by a network of roads, all of which will be taken over by the county and, as such, will be available for use for hauling forest products.

Mr. COBURN. As I understand your testimony in answer to my original question, this would have an adverse effect on the small operators in the Klamath Basin; would it not?

Mr. WILCOX. That was based on your supposition that all of the units being put up would be purchased by one operator.

Mr. COBURN. Or a combination.

Mr. WILCOX. If that combination would consist of the present small- and medium-sized operators, it would assure them each a small annual cut, certainly not enough to maintain their installed capacity, but it would provide for each of them.

Mr. COBURN. Have you heard any talk among the operators—you live there in Klamath Falls—of a desire to get together and proceed on the basis of private acquisition of these lands?

Mr. WILCOX. I have not heard anything directly as yet. I know that some of their own have considered such a proposition, no doubt. However, they are faced with this proposition: For each 5 million board-feet annual cut that they would obtain from any part of that sustained yield management area, they would have to invest in somewhere close to 250 million to 275 million board-feet of timber which they would have to maintain in a growing condition. In other words, that would be their capital investment upon a cut which would annually represent approximately 2 percent of the total invested volume that they had in the sustained-yield operation.

Most of those medium- and small-sized operators cannot afford to do that.

Mr. COBURN. Have the Management Specialists come up with any alternative legislative proposals to S. 2047 and S. 3051?

Mr. WILCOX. No, sir.

Mr. COBURN. Have you given any thought to any alternative proposals?

Mr. WILCOX. There has been a great deal of time and effort given to study. In fact, most of the time was given before the original proposal for Federal acquisition. Since that time, the Management Specialists have constantly talked with various people who have been interested in this problem. Throughout their discussions, I have heard them mention several times to people, if you can come up with a solution which is a better solution, we will be eternally grateful to you. Thus far S. 2047 appears to be as good a solution as any they have heard.

Senator NEUBERGER. Mr. Wilcox, we appreciate your being here. I want to put personally on the record my indebtedness to you for all of the valuable technical information you have furnished to the chairman and other members of the subcommittee from time to time. We always found it reliable and authentic and we are very appreciative.

At this time I think it is pertinent that the record contain the replies given us by the Management Specialists when we requested a detailed chronology of the steps necessary and the time involved in order to conduct the timber sales program under the provisions of Public Law 587, if they go into effect.

I think it is important that this be put into the record because this involves a substantial amount of time and all of the termination would have to be concluded by August 13, 1960, including the sale of the timber. And I think the record should show the time schedule we are up against in considering the legislation before us.

Thank you very much.

(The schedule referred to follows:)

1. Detailed chronology of steps necessary and time involved in order to conduct sales programs under provisions of Public Law 587, as amended by Public Law 85–132:

Item	*Estimated date of accomplishment*
Start general advertisement of proposed sales	Jan. 20, 1958
Concurrent approval by the Secretary of Interior of the appraisal and of the tentative plan of management	Feb. 15, 1958
Completion of tentative certified report of election of tribal members	Apr. 30, 1958
Completion of tentative plan for sales of economic units	May 7, 1958
Completion of all phases of tribal election and final report of election	May 31, 1958
Start of advertisement of sales of specific economic units (subject to qualification that sales may be canceled if Congress modifies law)	June 1, 1958
Bids received first sales of economic units	Aug. 25, 1958
Date that bids received for sales of last economic units to be sold	Apr. 15, 1960
Successful bidders for last sales notified bids are accepted	Apr. 25, 1960
Successful bidders complete payment full purchase price	June 25, 1960
Distribution of payments completed to withdrawing members—start closing out Office of Management Specialists	July 15, 1960
Transfer of title completed to purchasers of last sales	July 25, 1960
End of termination program	Aug. 13, 1960

2. Detailed chronology of steps necessary and time involved in order to conduct sales program planned under the administration's bill (based on assumption that bill is enacted approximately June 15, 1958):

Item	*Estimated date of accomplishment*
Start of general advertisement of proposed sales	Jan. 20, 1958
Concurrent approval by Secretary of Interior of the appraisal and tentative plan of management	Feb. 15, 1958
Completion of tentative certified report of election of tribal members	Apr. 30, 1958
Completion of tentative plan for sales of economic units	May 7, 1958
Completion of all phases of tribal election	May 31, 1958
(NOTE.—As of May 31, 1958, if it appears fairly certain that Congress will enact the administration's proposed bill, the start of advertisement of specific economic units would be held in abeyance.)	
Assumed date for enactment of administration's bill	June 15, 1958
Start of second election period [1]	July 1, 1958
Submission of tentative certified report of second election	Aug. 1, 1958
Start of advertisement of sales of first economic units to be sold	Aug. 15, 1958
Date that bids received of first economic units to be sold	Nov. 15, 1958
Date that bids received for last economic units to be sold	Dec. 1, 1959
Approval of sustained-yield management plan by purchasers of last units sold and payment of full purchase price	June 25, 1960
Distribution of payments completed to withdrawing members—start closing out office of Management Specialists	July 15, 1960
Transfer of title completed to purchasers of last sales	July 25, 1960
End of termination program	Aug. 13, 1960

[1] If the administration's bill is enacted, tribal members will be assured a minimum realization value if they elect to withdraw. Under the provisions of the present law they are not assured that the sales of economic units will bring the realization value estimated by the appraisers. Accordingly, many tribal members may elect to remain in the tribe who might elect to withdraw were such an assured minimum realization value provided. Thus, it is assumed that the enactment of the administration's proposed bill would impose an obligation to provide tribal members an opportunity to elect on the basis of the changed outlook.

3. Extent to which sales plan would have to be changed if the administration's bill were to become law. It is estimated that the actual changes in sales plan would involved only the following principal items:

(*a*) Delay of 2½ to 3 months in the date of first sale.

(*b*) The grouping of economic units into relatively large units in order to provide a reasonable base for sustained-yield management. (As indicated on p. 3 of the Secretary of the Interior's letter to the President of the Senate.)

(*c*) Provision of longer period of time between date of bidding and date of transfer of title to successful bidder. It is probable that at least 3 additional months will be necessary for preparation and approval of a plan of management, required of the purchaser.

Note: A more orderly sales program should result under provisions of the administration's proposed bill than will be possible under the present law. There would be fewer offerings and no obligation on the part of the Secretary to reject bids that appeared to be unreasonably low. This may result in a substantial saving of time that otherwise might be lost as the result of having to readvertise several or many of the units.

4. The effect of the time proposed under the sales provisions of Public Law 587 and the administration's bill on securing the most advantageous sale of the timber.

It is the opinion of the Management Specialists that the time authorized for sales to be made under provisions of Public Law 587 is entirely too short to effect an orderly sale of the economic units which will be sold in order to pay withdrawing members. This statement is based on the estimation that as many as 70 percent of the tribal members may elect to withdraw from the tribe. On the other hand it is believed that a fairly orderly sales program could be accomplished under provisions of the administration's proposals.

Insofar as the value received by the Klamath Indian people from the sales of economic units it is believed that the withdrawing members will receive as much or more under the administration's proposal than they will under the liquidation program contemplated by the present law.

5. Number of prospective purchasers of timber units that have:

(*a*) Written to office of Management Specialists for information: None.[1]

(*b*) Visited office of Management Specialists: Six (all except one were personnel of local lumber concerns interested in the general program).

(*c*) Reviewed available information: No specific information on the sales program will be available until the appraisal has been accepted by the Secretary of the Interior. Three operators have obtained as much general information as has been available for study.

(*d*) Put field examination parties out to examine timber: Only two known (both local operators) although all persons and firms that have bid on the sales of allotted timber during the past 3 years have had cruising parties working on allotments adjoining the tribally owned timber and are familiar with general timber qualities and logging conditions.

Proposed Sales of Timber, Klamath Indian Reservation, Oreg.

Sales of tribally owned forest lands and other types of property on the Klamath Indian Reservation will be made pursuant to requirements of Public Law 587 of the 83d Congress, as amended by Public Law 85–132 of the 85th Congress. The anticipated sales program will provide for sales of the forest property in economic timber units. If the present law is unmodified during the 2d session of the 85th Congress, the sales will start during the late summer of 1958 and altogether will include a total volume of timber that may be as much as 3 billion board-feet of sawtimber and 1,200,000 cords of pulpwood. The law requires that the sales program be completed and payment made to the beneficiaries on or before August 13, 1960. The sawtimber volume is predominantly ponderosa pine, with associated sawtimber species comprising a minor part of the total volume. The pulp volume consists primarily of relatively low-grade lodgepole pine. The sawtimber species will be sold in units of various sizes that will be classed either as reserve stand located in areas which have been cut over under a selection-type harvest or virgin-timber stand on areas which have not been cut over. The sizes of economic timber units will be classed as: (1) small economic timber units will be those of less than 5,000 acres, (2) medium-sized economic timber units will be those between 5,000 and 20,000 acres in size,

[1] This statement pertains to written requests prior to the mailing of the general advertisement (see attached) covering the anticipated sales of economic units on January 20, 1958. Since mailing approximately 600 circular notices we have received 30 requests from operators to be placed on the mailing list.

and (3) large economic units will be those exceeding 20,000 acres in size. The total sawtimber volumes for the economic timber units will range from a low of approximately 50,000 board-feet to a high of approximately 300 million board-feet. The sales will include both forest land and timber located thereon. The terms of sale will be for cash payable within no longer than 90 days from the date of notice of acceptance of bid. Although purchasers will be urged to operate the property purchased on a sustained-yield basis, the sales will be made to the highest bidder regardless of the intent for which the purchase is made. The primary requisite of the sales program will be to obtain the highest price possible for the beneficiaries of the program. Further information concerning the sales program, including information on sizes of units, volumes of timber, characters of stands, allowable annual cuts under sustained-yield management and rates of growth can be obtained from the Klamath Management Specialists, 139 South 7th Street, Klamath Falls, Oreg. Advertisement of specific economic units will be made at a later date. Those desirous of being informed by mail of each offering should request the Management Specialists to include them on the mailing list. Dated this 20th day of January 1958 at Klamath Falls, Oreg., T. B. Watters, chairman, Klamath Management Specialists.

Senator NEUBERGER. Pursuant to the tentative schedule I described yesterday, we will now hear from the representatives of the Klamath Indian Tribe and their attorney, Mr. Glen A. Wilkinson. Mr. Wilkinson, it might be well for you to introduce the gentlemen who are accompanying you.

STATEMENT OF GLEN A. WILKINSON, OF WILKINSON, CRAGUN & BARKER, WASHINGTON, D. C., COUNSEL FOR THE KLAMATH TRIBE

Mr. WILKINSON. My name is Glen A. Wilkinson. I am a member of the firm of Wilkinson, Cragun & Barker, of Washington, D. C. My firm represents the Klamath Tribe.

If it is satisfactory with you, Mr. Chairman, we have agreed on behalf of 4 members of the executive committee, who have agreed upon a joint statement, to have that statement read by Mr. Dibbon Cook, who is secretary of the Klamath General Council, after which each of the 4 would like a very brief time for an oral statement.

Before I introduce the four, Mr. Chairman, I should just like to express on their behalf specifically, and on behalf of the Klamath Tribe generally, a deep appreciation for the time and attention you continue to give to this problem. We appreciate the many other problems that Members of Congress have, but we know this is important for Oregon and, as Mr. Netzorg testified yesterday, we think it is important for the entire United States. We do want to express that appreciation.

I have on my right Mr. Jesse L. Kirk, who is vice chairman of the Klamath General Council and the Klamath Executive Committee. Mr. Kirk has been a longtime representative of the Klamath Tribe and an official of its various governing bodies.

On his right is Mr. Dibbon Cook, acting secretary of the Klamath Executive Committee. Mr. Cook has not been to Washington as often

as some of the others, but over a period of years he has developed an individual approach to the problem which I respect.

On his right is Mr. Boyd J. Jackson, who, as you know, has represented the Klamath Tribe continuously for over 20 years.

On my right is Mr. Seldon Kirk, who is a longtime chairman of the Klamath General Council, one of the respected older leaders of the tribe. I should just like to mention in passing that this is his second visit to Washington; his first visit occurred as a student cadet from Carlisle when he marched in the inaugural parade for President McKinley.

With that introduction, Mr. Chairman, I would like to suggest that Mr. Cook proceed with the reading of the joint statement.

Senator NEUBERGER. Mr. Wilkinson, I want to welcome you and these members of the Klamath Tribe and representatives of the Klamath Tribe who I think I can count as my personal friends. We have become very well acquainted in the 3 years I have been here, during which time we have wrestled with this problem. I am very grateful for the words of appreciation that you voiced to me.

I think you realize that if I had just wanted to play politics with this situation, the best course for me would have been to do nothing, to let this calamitous termination run, because I am one Member of Congress who shares no responsibility for what happened. I was not here when Public Law 587 was enacted.

We have had suggestions from people who have certainly had a part in the enactment of Public Law 587, and who certainly must share some of the responsibility for the passage of Public Law 587. I was opposed to the passage of Public Law 587 when it went into effect, although I was then only a private citizen in the State of Oregon, although a member of the Oregon State Legislature. However, I was born in Oregon, Mrs. Neuberger was born in Oregon, and when I leave this position either voluntarily or involuntarily I expect to return to Oregon as a permanent resident.

I am eager that this situation be resolved in a manner which will be best for the Indians and the economy and future of our State.

I noticed the other day that a leading editor in our State, Mr. Robert W. Chandler, of the Bend Bulletin, said that he thought this was the most crucial problem today immediately confronting the State of Oregon. I am not certain whether Mr. Chandler is right, but I think that opinion from a prominent editor is certainly something. I would agree with him that it is one of the most crucial problems confronting our State, and if we do not solve it fairly and we do not solve it very soon, and we do not solve it successfully, I have no doubt that it will become the most crucial problem confronting the State.

Therefore, we are very pleased to have you here as the legal representative of the Klamath Tribe and these fine spokesmen for the Klamath Tribe. With that brief preliminary statement, we will welcome the view of Mr. Cook and his associates.

COMBINED STATEMENT OF SELDON KIRK, CHAIRMAN, KLAMATH GENERAL COUNCIL; JESSE L. KIRK, SR., VICE CHAIRMAN, KLAMATH GENERAL COUNCIL AND KLAMATH EXECUTIVE COMMITTEE; DIBBON COOK, SECRETARY, KLAMATH GENERAL COUNCIL, AND ACTING SECRETARY, KLAMATH EXECUTIVE COUNCIL; AND BOYD J. JACKSON, TREASURER, KLAMATH TRIBE (BY DIBBON COOK)

Mr. Cook. We appear before your subcommittee on what may be the last crucial testimony affecting the future destiny of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, hereinafter referred to as the Klamath Tribe, enrolled at the Klamath Indian Agency in Oregon. What we have to say represents our combined conclusions reached only after serious and considered deliberations among ourselves.

We realize that some form of terminal legislation for the Klamath Tribe is the desire of Congress. This conclusion is arrived at reluctantly, and we want to emphasize that Public Law 587 as it presently exists has created serious confusion and disturbances among members of the Klamath Tribe. Much of the confusion and uncertainty arises directly from the fact that recent thinking with respect to the Klamath problem has been based on the estimate that 70 percent or more of the Klamath Tribe will choose to withdraw from tribal membership under the provisions of Public Law 587. Although we believe this figure to be grossly erroneous, we believe that if this many are serious about withdrawing, the Federal Government should provide for purchase of the entire reservation.

On the afternoon of January 31, the Indian Bureau released to us a general summary of tribal assets, a document which we understand to set forth the total realization value of Klamath tribal assets arrived at by the appraisers retained by the Management Specialists pursuant to section 5 of Public Law 587. The total value, after deductions for "net budgeted expenditures for fiscal year 1957" comes to $121,643,918.10.

As you will note, the total value is arrived at by appraisal of timber units, grazing units, marsh units, farm units, agency buildings, miscellaneous economic units, and "net tribal assets other than economic units."

We believe that the total figures arrived at by the appraisers are wholly inadequate as reflecting the true market value of Klamath assets. This seems apparent on the face of the general summary furnished to us.

Public Law 587 provides that all tribal property should be appraised. We doubt this has been done. For instance, the summary obviously fails to attribute any value to subsurface rights, including pumice, titanium, diatomaceous earth, water rights, and power resources.

As an example, a 1950 survey under the auspices of the Geological Survey of the Department of the Interior indicates a "minimum total volume of pumice of about 6 billion cubic yards" is present on about 1,100 square miles of the Klamath Reservation.

Taken in conjunction with the fact that production of pumice within the State of Oregon has been centered in the Bend-Chemult

area north of the reservation, it is startling to us to believe that any independent appraiser could arrive at a valuation of the Klamath Reservation without taking this valuable resource into consideration. Likewise, we believe that there are valuable titanium deposits on the reservation, and there are considerable deposits of diatomaceous earth, which is used for production of cosmetics and other byproducts.

In addition to the subsurface items just mentioned, valuable water rights guaranteed to the Klamath Tribe by the United States are tied to the land included within the reservation. Also, exclusive hunting and fishing rights guaranteed by the United States and confirmed by its courts are not considered, not even mentioned, in the summary of the appraisal.

Furthermore, it is known that the Army engineers have made studies looking toward development of power facilities, utilizing Williamson and Sprague Rivers within the reservation.

We ask that the Secretary be certain that such values as are properly attributable to this resource be included in the appraisal. We also ask that this subcommittee perform a watchdog function in seeing that proper values are included for all of these resources.

But first and foremost, recent figures furnished by the Klamath Agency indicate that the Klamath Reservation contains approximately 5,500 million board feet of cutover and virgin merchantable timber.

Assuming, on the basis of recent sales, and utilizing a minimum figure of $38 per thousand, indicated by recent sales, this timber alone would indicate a value of $209 million as compared with the $118 million set forth in the general summary of the appraisal. Even assuming that approximately 1,885 million board-feet is lodgepole pine pulp, and that its minimum value is $8 per thousand board-feet, we get a figure approximating $150 million.

We believe that the wide disparity between $118 million and $209 million, or even $150 million, is unconscionable.

Accordingly, we protest before this subcommittee and the public that the appraisal carried out pursuant to Public Law 587 as represented by the general summary of tribal assets, is deficient in giving due consideration to potential and specific values of the reservation. The appraisal report certainly should not be approved by the Secretary of the Interior until it includes full and fair values for all resources. Assuming an extreme situation where 100 percent of the members choose to withdraw, the returns received would be less than just compensation if the sales do not bring at least appraised prices.

Aside from material values, we cannot ignore other values which mean much to us, the fact that the reservation represents our heritage and homeland, and provides us with a measure of freedom which it has been our custom to enjoy.

Now that we have said this, it seems logical that the subcommittee might ask what we want. We are ready to tell you.

If the United States Government is willing to pay a price which is fair and equitable, we would favor Federal purchase. We think there should be negotiations between tribal representatives and representatives of the United States to reach a price satisfactory to the tribe. In order that there may be time for this, we ask that this committee request that the Secretary defer approval of the appraisal. If agreement

cannot be reached, we ask that the property be transferred to a legal entity to be formed by the tribe.

Senator NEUBERGER. Thank you very much, Mr. Cook.

Do you have a statement, Mr. Wilkinson?

Mr. WILKINSON. If it is satisfactory to you, it is agreed that Mr. Cook will offer anything he has to offer orally and then Mr. Seldon Kirk will speak. I want to say there are two other members of the Klamath executive committee present to be heard. They have not consulted with us.

We do not want to take all the time. We want to leave such time as they feel necessary, so I will ask if it is satisfactory to have Mr. Cook make any oral statement he has.

Mr. COOK. Mr. Chairman, I would like to make a few remarks followed by my colleagues in regard to the determination question.

I would like to put the emphasis on our heritage and our homeland. The question of timber and land has been discussed pro and con, but the question of the social implications of members or the Indian himself has not been dwelled on in these hearings.

The question of self-preservation, what the Indian must face in regard to termination; we have discrimination within and without the bounds of the Klamath Reservation as opposed to other reservations. We have a two-price deal. One is the Indian price and the other is a non-Indian price outside the reservation in the city of Klamath Falls. We have conditions that we must face upon termination. Some of us are blinded by looking at the end of the rainbow.

We have health matters. We have social implications, welfare matters, and then we speak about freedom of full-fledged citizens. I believe and I feel and I know and I think you would agree with me that we are more a full-fledged citizen than those of you who are nonmembers.

We have water resources or other resources. We have the human resource we have to look after and we have to think about the other fellow and not ourselves. We have the future before us. We have the future generations before us. Those old men back there, when they signed that treaty prior to having a reservation, were looking out for our interest—the people of today.

We who are pleading here today think about those people who shed their blood and gave their lives that we might have a home, that we might have a heritage. They were looking forward. Did they get anything out of it? No. Today what are we doing? We are trying to sell the very thing that they gave to us.

Don't we think about the younger generation before us who are to live? What are they going to say some day? What did they do with our reservation? What did they do with our heritage? We have the question of hunting and fishing—a very vital question. This may involve trespass matters in the future upon these lands. We cannot even get along the roads of the highways within the bounds of the reservations where we used to play and enjoy the freedom of the reservation.

I mentioned discrimination a while ago. We will find that more predominant on the reservation than off the reservation in the future. I feel that since the land must be sold and termination of Federal supervision is the object of Congress, I believe that Federal purchase

would be the solution to the problem, although I do not quite go along with termination.

I will now defer to the other members.

Senator NEUBERGER. Thank you very much.

STATEMENT OF JESSE L. KIRK

Mr. KIRK. My name is Jesse L. Kirk of the Klamath Reservation and I am also a direct descendant of the gentleman who signed the treaty with the United States Government in 1864 and so are our other colleagues.

Mr. Cook has voiced my thoughts. We are here pleading with you to protect our heritage, since we see that this is possibly the last chance that we will ever have to say anything for ourselves.

There were a good many things which were left out of the appraisal which is contained in our joint statement.

I believe, and I have been told, and I have also come to the same conclusion, that history was repeating itself when Public Law 587 was enacted. I grew up in a small community when I was a boy, known as Fort Klamath. After the treaty of 1864, we found that a large volume of property was taken from the Indians for which we later sued the Government and recovered $7 million. This was known as Yamsey.

Today we have a case pending in court which is in itself definite proof that the Klamath Indians got stung somewhere along the line. I have heard by prominent people of the State of Oregon reference to Public Law 587 as a weasel-worded law. What they meant by that, I do not know.

In my personal opinion, this law has caused a lot of confusion both among the people of Klamath Basin and the people of Klamath Indian Reservation. I believe it has caused confusion among the higher levels of our great Nation. This is borne out by amendments to Public Law 587.

The question remains in my mind as to what is to become of the Klamath Tribes. Are we going to be beaten again as we have been beaten in the past? There is no doubt in my mind but that we will be beaten unless we have more time to adjust ourselves and to see that we get a fair and equitable deal in this process of termination.

Again, the word "termination" confuses me because I have come to the conclusion that I do not know what that word means. Does it mean the liquidation of the assets of the Klamath Tribe? I believe it does because everywhere I turn all I can hear is the sale of tribal property.

As mentioned by Mr. Cook, our pumice resources, and such a large volume of it, I believe at one time we set a minimum value of 2 cents a cubic yard—those numbers to compute are too big for me because I have no education.

Then there is the large volume of diatomaceous earth which is mentioned in our report. Just about the time Public Law 587 was enacted a representative of the Great Lakes Carbon Corp. came to us, the Klamath Tribal Executive Committee, in an attempt to negotiate a deal. About that time Public Law 587 was enacted.

According to recent newspaper reports, the Great Lakes Carbon Corp. purchased a quantity of diatomaceous earth just east of the reservation a ways.

With respect to hunting and fishing rights, which will be covered by my colleagues, that is something upon which I place a value, a great value, because it is a privilege that you gentlemen of this committee do not enjoy. What would happen in the State of Oregon alone if the 2-week hunting season that we have out there was discontinued? If ever a Governor of the State of Oregon issues such a proclamation, I believe immediate steps would be taken to impeach the Governor. So you, yourselves, the citizens of this great Nation, place a value upon this privilege that you have.

Our water is also mentioned in our joint statement. It has a great value. If it were not so valuable, why did the State of Oregon and the State of California enter into this water compact which was passed by Congress here a short time ago and is now a law? Why is there a big lawsuit between the State of Arizona and the State of California over water, if water were not valuable?

So, gentlemen, in order to leave a little time for my colleagues, I will close my statement and I am very happy to have been heard.

Senator NEUBERGER. Thank you, Mr. Kirk; we appreciate your statement very much.

Mr. Jackson, we will be very pleased to hear from you.

STATEMENT OF BOYD J. JACKSON

Mr. JACKSON. My name is Boyd J. Jackson, and I am a member of the executive committee and also an official of the Klamath General Council. I appear here before this committee along with the members of the delegation in order that we might enter a plea in which we believe may result in the things that we hope for.

We especially appreciate the position that you, the chairman, have taken in our behalf in an attempt to get something worked out which you believe would be to the best welfare of my people. You have gone to the extent of introducing a bill for the Department which was not directly in keeping with the things that you had in mind that might be worked out to our best interests.

Now that we are faced with these two objectives and now that we have set ourselves on record as to our true feelings upon careful study of a release of a most important document that we had been looking for, for the past months, meaning the summary of the appraisal report, may I restate some of the things that I have said in the past.

In the years past, we had in mind the matter of closing our rolls, the matter of getting our reservations appraised so that equities may be set up for the enrolled members of the tribe. Such a bill was passed during 1933 and vetoed by the President.

In later years, 1945, a bill was introduced by a minority group of our tribe for the purpose of liquidating the reservation and such a bill was reintroduced at the next session of Congress, known as S. 1222. We, as a tribe, had objected to the purposes of the bill as those purposes were set out.

Accordingly, in order to conserve our homeland, we agreed with the party's proponents of the liquidation bill to introduce a bill providing for voluntary withdrawal from membership of our tribe.

This would mean in substance the closing of the rolls, appraisal of the reservation, creation of equities, and providing sums of money which would pay off certain members of the tribe who would want to withdraw, only limited and controlled to a certain number each year.

By so doing, we would continue the reservation in fact, as our homeland. Upon the passage of House Concurrent Resolution 108, our applecart was upset. We believe that particular resolution may have been acted upon too hastily. The result of the reports on our withdrawal bill caused immediate recommendation for termination, which is something we were not asking for.

We agreed with Public Law 587 in substance, the understanding being that after all means had been exhausted to find funds whereby we could pay off the withdrawing members without breaking up the reservation, we would go along, and with the further understanding that if and when we reached a crossroads whereby we felt that the law should be amended, that we would be given the right to submit such amendments to be considered by you, the Members of Congress.

This assurance was given us. In keeping with that, we accepted the law as now known, Public Law 587.

As you will recall, the previous Secretary had recommended termination. His successor in office saw fit to ask that you, Congress, take a second look at the law because of his feeling that the law would do things that would not be to the best welfare of my people.

Now, these things have been done. In the previous session of the Congress an amendment was passed and now it is a part of Public Law 587 and under which and through which you have been able to introduce a bill whereby the Federal Government would be permitted to enter into our picture as one of the possible buyers of our homeland, which was absent in the previous act.

During the interim period, we have been floundering because of the want of the completion of their appraisal which is now finally nearing completion. Now that this has come about, that brings us to where we are now and it enables us now to express our views as to our final feeling regarding our possible separation from our homeland and our heritage.

We, as a people, as a tribe, over the years have practically skimmed the cream of the income of the resources of our homeland. That does not seem to have been enough. We now want to go further. In other words, it seems to us that through greed and selfishness, we now want to cut the head off of the goose that lays the golden egg.

In order that we realize what we have done, fully realize what we have done, and, in order to try to do something to preserve what our forefathers had set up for us as our homeland, to be our home forever—it seems to be drawing to an end—and, in order that we might not be pointed at as a group of people who destroyed their homeland in the future, we want to do something constructive.

We want to lay down the framework that they may point to with pride instead of criticism. It is because of this thinking and line of thought that we look upon the appraisal as not being the thing that we had hoped for.

However, since it has now been brought out and we now know what we are faced with, we believe that the material that we have set out in our statement is worthy of consideration, is worthy of you and

ourselves going into some definite, final discussion in order that we may come up with something that will result in something that will prove of benefit not only to my people, but to the people of our community.

We do not lose sight of the fact, as we say in our statement, that it is something that should be carried out through Federal purchase. Yet, by the same token, we believe that under our normal procedures of administrative processes in years to come, we stand to lose the amounts of funds that we have set out. We do not feel that the Federal Government is doing its best to sell us out and that in the end we would only retain stump land and come up with nothing. I do not believe that sort of administration has proven itself.

The Senate Investigating Committee of August of 1947, came up in substance with the idea that there was not a second growth of stand of timber in the United States which was not surpassed in the job done by the Bureau. Does that mean in the end we would be subject to and only faced with stump land?

I believe, too, that position taken by the Management Specialists enters into the picture whereby they point out that the allowable cut through 1964 would be 90 millions of feet. From there on it would drop to 76 millions of allowable cut in perpetuity and those are the things that sink in and stick with us.

We are going to discuss something that would be short-lived insofar as the Federal Government is concerned. We are offering to separate ourselves from our homeland, which is a going concern, from which we derived benefits and from which possibly very few other organizations have the benefit to realize.

With reference to the matter of our marshlands, Mr. Chairman, that is something we had in mind in years past. We had bills introduced in Congress whereby we asked that something be done with our Klamath marsh in order that it might be possible for us to reclaim thousands of acres of that marshland to set up as our livestock forest lands, pasturelands and the like, and to have the results of the appraisal report.

Then, instead of going along with us, the Bureau said to us, "Don't introduce that bill. Let us introduce a general bill that will serve the same purpose."

With that understanding we let the matter ride for several years. Recently we had such a bill reintroduced for the same purpose, to gain the same purpose knowing and feeling that if and when we should be forced to operate our second cutting cycle and under the lower returns from our timber receipts, we would not be entirely, we would not lose the amounts or the difference between the 90 and 76 millions.

With those thoughts in mind, Mr. Chairman, we do not feel that the appraisal report as returned to us covers in substance the potentials that we had in mind that could be realized and has been realized in our community.

Senator NEUBERGER. May I ask you one question, if I may, and I want you to realize that our time is limited to some degree.

Which would you prefer, because you realize sometimes all of us cannot get just what we want. Would you prefer to have the reservation sold at the price set in the appraisal of $121 million or to have Public Law 587 as presently written go into effect?

If those two choices confronted you, which of the two would you prefer?

Mr. JACKSON. Right now, if we were forced and could not do anything else and were led to understand that if we accepted the $121 million that we also would be granted the right to sue, those would be the conditions that I would accept that under.

Senator NEUBERGER. I am not an expert on this, but I am assuming you have the right to sue in the Court of Claims. I am just assuming you have that right. We cannot take it away from you. You have that right.

Am I correct, Mr. Wilkinson?

Mr. WILKINSON. Under article 24 in the Indian Claims Act, they have a remedy in the Court of Claims.

Senator NEUBERGER. So that does exist?

Mr. JACKSON. I meant that such an understanding would be a part of our final settlement in this matter.

Senator NEUBERGER. I am just assuming that it would be, and I want to say I, myself, speaking as one Senator, would not do one single thing to jeopardize the right of our Indians to go into the Court of Claims. I think that we have to presume that that right does exist.

Mr. JACKSON. I am sorry that we do not have the time to go into this all-important matter that involves us Indians to the fullest extent. I would like to have been able to say for the record and voice by myself, as one member of the delegation, that what had been said was drawn and said from our honest convictions, as to our honest beliefs in what we feel should be done in this, our all-important subject and we have to live with what we do.

I say this on the same basis that the Management Specialists said, "We want to do a job for you Indians. We have to live here and we want to live here, and if we do not do a job, then we would have to leave."

That in substance voices our feelings in the appearance before your committee. We do not feel that we at some later date want to criticize ourselves in not going far enough in our pleas with your committee.

There are other topics here on which I wanted to touch. However, I believe that Mr. Wilkinson, our attorney here, may have in his statement that which covers the thing I had in mind which may also be voiced by the chairman, Mr. Kirk, and I shall at this moment conclude my statement.

Senator NEUBERGER. Thank you very much, Mr. Jackson. We are always glad to hear from you and you are always very elequent and persuasive.

Mr. Kirk, do you care to add anything further?

STATEMENT OF SELDON E. KIRK

Mr. KIRK. I would like to point out one point, if you will allow a story.

Senator NEUBERGER. You certainly have my permission.

Mr. KIRK. A white man and an Indian went out hunting one day together. The white man killed a buzzard and the Indian killed a turkey. They went along hunting, but there were no more turkeys to be found, so the white man schemed up the idea that he was going to get that turkey from the Indian.

He said, "The turkey is mine and the buzzard is yours." The Indian said, "No, the buzzard is yours and the turkey is mine." The white man switched the conversation back and forth, back and forth. Finally, the Indian went home with the buzzard.

My point is, the Secretary of the Interior has introduced a bill and there is a bill, I believe, which Senator Neuberger introduced into the Senate and another bill was introduced in the House by Representative Ullman, and there is another proposal for support of a bill by the Management Specialists, all pointing to the fact that the reservation must be sold.

That is all understood. The records all show it. It appears that Mr. Kirk is going home with the buzzard instead of the turkey.

I believe the statement covers all of it fully. Using the second person as the Government and the first person as the Klamath Indians, I took a cow, a big red cow, which is valued at $100. You, in a roundabout way, appraise that cow at $20 and come back over here and say, "I want to buy that cow," and somebody put a price of $20 on it. I don't know how come, but I think it is worth $100. You said, "I am going to buy that cow." Are you in favor of me buying that cow, the United States the timberlands?

The Management Specialists say the cow is worth $20. The statement covers that. The termination act should have terminated the Klamath Indians from Federal supervision, but instead of doing that, they passed a bill terminating Federal supervision of a few individuals.

The act did not terminate the Klamath Indians. That is why it turned out to be a withdrawal bill rather than a termination act. There was confusion. Tribal land was sold—all that. The moment that the Government places a value that they are willing to pay over and above the appraised value, which is at the present time known——

Senator NEUBERGER. Let me ask you a question. Your point about the withdrawal provisions in the 1954 termination act are very valid. How would you like to have the act in effect, but with the withdrawal provision repealed.

Mr. S. KIRK. I would not want anything better provided the provisions in there repealed would satisfy the members of the tribe.

Senator NEUBERGER. Suppose the withdrawal provisions were eliminated? It would just give you the reservation?

Mr. S. KIRK. That has always been my wish and thought—the reservation being given over to the Klamath Indians and allow them to form a legal entity of some sort and go ahead with it.

Senator NEUBERGER. Suppose the withdrawal provision were repealed, we give you a fair price for the marsh so the Fish and Wildlife Service can manage that. You obviously could not get any income from managing that for waterfowl and so forth, and we give you the rest of the reservation which is 99 percent of the value and take out the withdrawal provisions and pay you a fair price for the marsh. What would you think of that?

Mr. S. KIRK. That is reasonable and I think it would be acceptable.

Senator NEUBERGER. I just wanted to tell all of you, because you were the final Indian witness representing the tribal council, one thing that bothers me. We have had an appraisal figure of $121 million. That would be a great deal of money for someone like me, with my very limited powers and influence, to persuade the Members

of Congress that they should appropriate to buy an Indian reservation in one State. I think it could be a good investment, $121 million. If I had $121 million, I would buy it myself.

It is obvious that you and your tribal associates in the tribal council do not believe $121 million is a fair price. You have presented some very conclusive evidence today to support your views. I believe in the testimony presented by Mr. Cook, the sum of around $209 million was mentioned.

Is that correct, Mr. Cook?

Mr. COOK. It is something like that.

Senator NEUBERGER. That would even be more difficult to persuade the Congress to authorize for an appropriation at this particular time, so it occurs to me as I sit here and listen to you members of the Klamath Tribal Council to just ask you to think over and discuss with your attorneys just what conclusion you have regarding the general proposition of repealing the withdrawal clause providing that the Government purchase the marsh for the protection of the waterfowl and that the Klamath Indians receive the reservation under the Termination Act minus the withdrawal provision.

Do you prefer that to the $121 million figure that has been mentioned in the appraisal?

Mr. S. KIRK. I think the same statement would apply.

Senator NEUBERGER. In other words, the statement read by Mr. Cook on behalf of all of you in which there is this paragraph which I want to read again because I think it is very important:

> If the United States Government is willing to pay a price which is fair and equitable, we would favor Federal purchase. We think there should be negotiations between tribal representatives and representatives of the United States to reach a price satisfactory to the tribe.
>
> In order that there may be time for this, we ask that this committee request that the Secretary defer approval of the appraisal. If agreement cannot be reached, we ask that the property be transferred to a legal entity to be formed by the tribe.

That is as you have described it. I just want to point out several things. In that paragraph you say:

> We think there should be negotiations between tribal representatives and representatives of the United States to reach a price satisfactory to the tribe.

I would like to ask Mr. Coburn a question, because he is the legal counsel for the subcommittee. Under S. 2047, is there not provision for negotiations as to price?

Mr. COBURN. There is.

Senator NEUBERGER. Under S. 3051 there is no provision for negotiation as to price?

Mr. COBURN. They accepted the appraisal.

Senator NEUBERGER. Under S. 3051 they accept the appraisal. The representatives of the Klamath Tribe here say the appraisal is unsatisfactory to them.

S. 2047, the bill which I introduced, provides for negotiations.

Mr. COBURN. By implication.

Senator NEUBERGER. Because there is no price set on the appraisal. Do you disagree with that, Mr. Sigler?

Mr. SIGLER. Yes, my recollection is that the bill provides for an appraisal by 3 persons, 1 of whom would be a tribal representative,

but the appraisal is the majority vote of those 3 persons, so if my recollection is correct, it would not be a negotiation.

Senator NEUBERGER. It would certainly be a negotiation in which the Klamath Tribe would participate.

Mr. SIGLER. If those 3 people disagreed, there would be a vote and the 2 persons who were in the majority would fix the appraisal under the terms of the bill.

Mr. COBURN. They are attempting to determine fair market value.

Mr. SIGLER. My point is that although the Klamath Tribe would have 1 appraisal out of 3, it would not be in a position to negotiate in the sense of refraining from agreeing. They could be outvoted and in that case it would be a majority vote of the three appraisers.

Senator NEUBERGER. They would certainly be a part of the procedure under which the figure was arrived at under S. 2047.

Mr. SIGLER. I agree with that. They would be a part of it, but they would not be able to control it or even disapprove it.

Mr. COBURN. No one in a bargaining session has the power to control right from the start. The point is under S. 2047 at least by implication, there is the intent that the appraisers sit down together and negotiate what they consider to be the fair market value of the reservation.

Mr. SIGLER. I do not want to belabor the point, Mr. Chairman, but I believe Mr. Coburn indicated correctly the bill contemplates an appraisal of fair market value and that is not a negotiation in the normal sense of the term. It is a judgment on value and negotiators usually are frequently negotiating on terms other than straight fair market value.

Senator NEUBERGER. I have consistently thought that S. 2047 was substantially closer to the method suggested by the Indians in this statement than was S. 3051. You would not disagree with that statement, would you?

Mr. SIGLER. I think that is correct.

Senator NEUBERGER. Mr. Kirk, do you have anything more to add on this?

Mr. S. KIRK. No, not on that question, but I would like to add a word here. I was here during the year 1901, during the inauguration of President William McKinley. I marched down Pennsylvania Avenue as a cadet from Carlisle and this is my first time since then, that I am here in Washington, and I surely appreciate my being present before this committee.

Thank you.

Senator NEUBERGER. Mr. Kirk, we are honored to have somebody who not only, himself, goes so far back in the history of our country, but whose heritage and ancestors go back long before this country was created and founded, and we are very pleased to have had you here.

Mr. WILKINSON. I just want to talk to you about the schedule before you start with your statement. We want to recess again about 5 minutes of 12. It is obvious that you have a statement that should be put in the record and that there are a substantial number of very important questions that should be asked of you as attorney for the tribe.

It is my suggestion that you place your statement in the record today as speedily as you can and that we go over then, until tomor-

row. It had not been my thought that we should hold a session tomorrow, but I feel that the questioning of the tribe is so important and permitting the members of the tribe who do not agree with the majority view that we should have a session Friday if that is agreeable with you since you are the spokesman for the tribe. Can you return tomorrow? Will that be possible?

Mr. WILKINSON. That will be satisfactory.

Senator NEUBERGER. I would like you to present your statement as quickly as you can. We will recess today at 5 minutes of 12 and we will reconvene on Friday at 10 o'clock in the morning.

We cannot obtain this room tomorrow because it has already been spoken for by another subcommittee. Mr. Gamble informed me our meeting will be in room 155.

Please proceed, Mr. Wilkinson.

STATEMENT OF GLEN A. WILKINSON—Resumed

Mr. WILKINSON. I would like to mention two brief things before I get to my statement.

Mr. Dibbon Cook, who has already testified, has prepared an informational study, copies of which he has presented to Mr. Gamble. I should like to request on his behalf that that be inserted in the record at this point.

Senator NEUBERGER. Without objection, the studies prepared by Mr. Dibbon Cook will be inserted in the record.

(The informational study is as follows:)

POSSIBLE PROGRAMING OF ACTION THROUGH THE KLAMATH TRIBE, INDIVIDUAL MEMBERS, OR THE EXECUTIVE COMMITTEE

The following information is submitted for your consideration with the hope of inspiring and stimulating interests in the possible programing of action among members of the Klamath Tribe in regard to Public Law 587. It is felt that unless there is such programing of action it will be too late to give our fellow tribal members some insight as to what Public Law 587 means and an understanding of its implications, both good and bad. In giving our fellow members some insight into the law they will thereby become better qualified to consider and discuss the law and make decisions in connection with it.

In providing this information we have listed below 27 items. These items include many of the questions which have been under consideration in the past by the exceutive committee.

Public Law 587, as amended, provides for termination of Federal supervision over the Klamath Tribe, and will affect all members of the tribe, adults and minors alike. As you know, this termination program has now been underway for about 3½ years.

We may ask, why is this law so important? Though there are many who would agree that withdrawal of Federal supervision is a desirable goal, it should be pointed out that the law does not stop there. Implementation of Public Law 587, as amended, also means that the Klamath Tribe and its members are compelled to separate from their valuable timber and land holdings in a rapid manner, although Commissioner Emmons disagrees with this proposition, as pointed out below.

It is believed that since termination of Federal supervision is to be accomplished, it should be carried out in as sane and constructive a manner as possible. The abandonment of some poverty-stricken, land-poor Indians should not be placed under the cloak of "freeing the Indian." Nor should trusteeship be removed hastily where it is evident that valuable Indian assets will promptly be taken over by aggressive special interests.

Though some of us have been much concerned over the insincerity of the law, the question arises as to how we are going to protect and salvage some of the heritage of the Klamath Indians under such a law, other than through further amendments or repeal. Again we are asking how we are going to face this

problem, knowing that some tribal members wish to convert their interest or equity into cash. Seemingly, the intent of Congress in passing Public Law 587 was not the liquidation of the tribal assets but rather to sever the tribe's relationship with the Indian Bureau and the Federal Government because of the many complicated rules and regulations involved in that relationship.

The intent of the foregoing information is to stave off possible mishaps as have been experienced in the past, to provide a word of caution, and to encourage tribal members to give a good deal of thought to the implications of the law in order to be able to make decisions which will be to their best advantage.

The following is inserted for the purpose of argumentation:

1. The restoration period or "golden era," as some refer to it, ended in 1952 when the Bureau of Indian Affairs was instructed to terminate Federal supervision over the Indians as rapidly as possible. The purpose of this was to end Indian administration and to admit the Indian into the enjoyment of full citizenship. The Indian Bureau would progressively retire from the operation of special services for and the exercise of special guardianship over the Indians.

Glenn L. Emmons, Commissioner, has stated, in part, "Certainly it cannot be truthfully charged that these forward looking steps, aimed at bringing the Indian people into the mainstream of American life, are for the purpose of exposing their lands to alienation to whites at premium prices. On the basis on which our fundamental approach is being made, it is not foreseen that there will be any disadvantageous alienation of land." (End of statement.)

Senator Neuberger has stated, "* * * To stave off chaos and waste which would be certain to follow if the Indians and their tribal assets were too hastily cut adrift * * *."

2. This movement toward giving the individual tribes far greater freedom in the management of their affairs supposedly reached a new high point on August 13, 1954, with the enactment of Public Law 587.

However, rather than provide the Klamath Tribe with greater freedom in the management of its affairs, it permitted individual Indians to request their share of tribal assets in cash, to be accomplished through the liquidation or transfer of property equal to each share. For those electing to remain in a tribal entity, a form of trust known as the management plan was to be set up. For those who were minors, non compos mentis, and those in need of assistance, a trust agreement was to be set up.

3. As reported by Stanford Research Institute: "It (P. L. 587) is ill-conceived and cannot be enforced without doing harm to the Indians and creating a serious social and economic problem in the Klamath area. Nor are they (Klamath members) fully aware of the economic consequences of termination, namely, being forced to compete with non-Indian neighbors for a livelihood, since many do not realize that to obtain their share of tribal assets they must withdraw permanently from the tribe. If education is one yardstick by which to measure the ability of people to make their way in a complex society, the future of these Indians is very bleak as they seek to compete with their educated and well-trained white neighbors."

The Federal Government has a legal and moral obligation as a trustee of Indian property. The courts have ruled that a guardian may not permit any action detrimental to the interests of its ward even though the wards desire such action. This is an important point to keep in mind.

Referring to the above quotation from the Stanford report, what of the social and economic problems as pointed out by this report? Termination may mean a hasty change from the present way of life under Federal supervision into a new way of life. In view of this fact, is it not time we need to search out pitfalls connected with the law? The cost of doing this would be cheap weighed against the economic problems as pointed out by Stanford Research Institute. In considering the possible pitfalls of the law, it should be noted that when Stanford Research Institute asked various tribal members what their fellow tribesmen would do with their money, many said that their neighbors would "go on a binge," "drink it up," "gamble it away," etc.

4. The basic law of the United States is that the Indians have a right to be protected in the peaceful possession of their lands.

T. Harley Crawford, the then Commissioner of Indian Affairs, said: "Common property and civilization cannot coexist." As a result separate allotments of land within each reservation to individual Indians were made.

Does the Federal Government have a legal and moral obligation to protect Indian property after termination?

5. Public Law 587 as amended, extended from 1958 to 1960, gives Congress more time to take another look at the implementation of the law.

Congress has been reluctant to grant extensions to termination procedures fearing that such efforts may drag on interminably with attendant costs to all concerned.

6. In regard to time, in the disposition of the vast timber holdings of the Klamaths the time is limited in which to achieve a reasonable, satisfactory sales price for the timber. The members who elect to withdraw will have to receive the money coming to them with a consequently depressing effect on the realization and appraised values. These members may be forced to accept the appraisal price, less the sustained yield and liquidation expenses. The appraisal, once announced, would seem to defeat its own purpose and it would appear that there will not be much relationship between the appraised value and what actually will be received when tribal assets are converted into cash.

7. The law does not provide for various rights, such as hunting and fishing rights, water rights, subsurface rights if any, etc., to become a part of the appraised value of the tribal property.

Other Indian tribes have been compensated for such rights.

As pointed out by Stanford Research Institute, "some (tribal members) may grow nostalgic (homesick) when contemplating the loss of their hunting and fishing rights."

8. The loss of individual and fractionated allotments due to a lack of money should be considered. The tribe or its members may be unable to retain these holdings for themselves because of a lack of immediate cash or cash available through the tribal loan board, which has been closed.

9. Should Federal acquisition of the tribal land and timber fail, and the prospects of such acquisition seem to be very dim, what are the alternatives? Amendments? Repeal?

10. What about the price we must pay for wardship?

11. Is not the chief inducement to withdraw the opportunity to get a lot of money?

12. Why should the tribal property of the members electing to remain be transferred from the present trustee to another of which these members know nothing?

13. The law provides freedom for the Indian, enjoyment of full citizenship on an equal basis with his white neighbor, and the assumption of full responsibilities.

Some of these responsibilities are: Helping your neighbors to bear the tax burdens, and abiding by State hunting and fishing laws. The latter, however, will not apply entirely to remaining members.

14. Consider what price we are paying for termination in regard to hunting and fishing, water, and mineral rights, etc.

15. Consider whether the individual tribal member has thought about what steps he will take in handling his share of the tribal assets, in the event he elects to withdraw.

Following is a statement by Assistant Secretary Orme Lewis: "The overwhelming majority of the Indians themselves and the great bulk of their non-Indian friends both recognize that the Federal trusteeship for Indian property and the Federal supervision over Indian affairs must some day come to an end."

As mentioned above, foregoing are a number of items that should be given some thought, and much-needed thought, before it's too late.

Mr. Seldon E. Kirk made the following statement in a meeting between the Management Specialists and the executive committee on the 31st day of December in Klamath Falls, as follows:

"Let us not forget the language of the oldtimers; let not your own flesh and blood turn wolf."

To follow this up, we refer to Micah 7: 7, 6: "For the son dishonoreth the father, the daughter riseth up against her mother, the daughter-in-law against her mother-in-law; a man's enemies are the men of his own house."

(And too we can become our own worst enemies.)

God help us not to see this prophecy fulfilled.

Items follow:

1. To investigate the appraisal now and also when it is fully released.

2. Ask the Secretary of the Interior and the Management Specialists for a preliminary estimate of the results of the appraisal. The basic information is already known and will not be changed greatly in the next few months' revisions.

3. Look into the standards used in setting the appraisal price. Inquire as to whether the fair market value standard was used or whether the appraisal price has been lowered to show a value that the Secretary thinks can be realized under a forced-sale program.

4. Study the appraisal reports and require the appraisers to appear and answer questions about the appraisal. It would probably be advisable to hire independent experts to go over the appraisal on behalf of the tribe and help in the questioning of the appraisers and to determine just how accurate a job was done.

REGARDING PUBLIC RELATIONS

5. Conduct a form of public relations program by maintaining close contact with various groups interested in Indian affairs and particularly in Klamath termination, deciding what your position is, and making it known to those who are interested.

6. Insist that consultations be given some meaning in practice. Demand to be taken into the planning of matters that will affect the tribe. Cooperate with the Bureau and Management Specialists wherever possible so as to protect the best interests of the tribe.

7. Cooperate with the State legislature interim committee on Indian affairs. Help the committee to gather facts about the reservation and present views of the executive committee, and tribal members, to the State legislature.

REGARDING PROMOTING PRIDE

8. Promote pride in Klamath history in both the Indians and non-Indians of the Klamath Basin, who know little about the culture of the tribe.

9. Work to set up as memorials to the Klamath Tribes such spots as places on or near Wood River, the caves on Sprague River, and other scenic recreational and historical spots around the reservation. This would not disturb the appraisal nearly as much as the proposed sale of tribal timber being worked up by the Bureau. (Note is now being considered by resolution.)

REGARDING EMPLOYMENT

10. Check employment opportunity for Klamaths in the area and promote better employment relations.

REGARDING S. 2047—FEDERAL PURCHASE

11. Call for a legal and economic analysis of S. 2047, Senator Neuberger's bill for Federal purchase of the tribal lands and timber.

REGARDING GROUPS PURCHASING PARCELS OF LAND

12. Request the Solicitor's ruling on whether the Klamaths can form groups and purchase parcels of tribal lands if they are sold under Public Law 587 as amended: section 5 (a) (3).

(The Management Specialists presented this question to the Solicitor of the Department of the Interior, Mr. Armstrong, on October 3, 1955, as follows:)

"Will individual members or groups of individual members be permitted to bid on units of property selected by us for sale to pay withdrawing members? If so, will we be required to apply their share to their individual or combined bid at the time they made the bid or meet the competitive bid? If so, how are we to do this? How will this affect the sales? How will we determine how much the individual share will be to be applied to the bid? We refer to subsection 3 of subsection A of section 5 of Public Law 587."

Mr. Armstrong replied in part as follows:

"Individual members and groups of individual members should be permitted to bid on units of property selected by Management Specialists for sale. When one withdrawing member gives notice of exercising his sale, he may apply toward such purchase price all or any part of the sum that will be due him from the conversion of his interest in all tribal property."

REGARDING CEMETERIES

13. Insist that the Government take over tribal cemeteries as it did with military cemeteries.

REGARDING TRUST PLAN

14. Look into the trust plan for individuals which is being worked out by the Department and Commissioner. Have your own legal opinion rendered as to the trust as soon as it is unveiled. (Note executive committee approved resolution, pointing out objections to parts of trust agreement. An answer is now being awaited.)

15. Review methods being used to protect those in need of assistance, minors and incompetents, and particularly review the trust plan being worked out by the Bureau.

16. Request of the Bureau of Indian Affairs an explanation of how the trust over individual real property will be handled. How will old claims against inherited lands be taken care of? Will such old claims still be a lien against the land? Also find out what use will be made of the appraisal of individual property, or will these appraisals be given to the county tax assessor?

CHALLENGE PUBLIC LAW 587

17. Challenge the interpretation of Public Law 587 as amended, which allows only those who stay in the management plan to approve it, and whereby voting to stay in the plan constitutes approval of it. This interpretation results in giving the tribe absolutely no voice in the management plan except as individual members may submit in writing suggestions to the Secretary through the Management Specialists. (Note insertion in the local paper stipulated that the members had until January 10 to request correction.)

18. Make independent analysis of the provisions of Public Law 587 as amended, the management plan and means for approval thereof, etc. Work out a program for either implementing termination so as to get the job done to the best advantage of the tribe and so as to leave as few sources of litigation as possible to tie up and waste tribal assets in the years ahead, or for amending the law. (The above and what follows is an attempt to answer this question.)

REGARDING SUPERVISED SALES

19. Review the policy of the Bureau of Indian Affairs toward supervised sales and issuance of fee patents. Has the Bureau policy promoted alienation of Indian land through a refusal to issue fee patents and the allowance of supervised sales and release of the money?

INVESTIGATE CLOSING OF INDIAN ESTATES

20. Have the tribal attorney investigate the matter of closing Indian estates and start a test case or declaratory judgment to determine the right of the State and Federal to levy inheritance taxes against trust property. If necessary, call in a disinterested expert on probate proceedings to look into whether or not Indian estates can be closed before the interest in tribal property is handed over to the administrator.

REGARDING FEE PATENTS AFTER AUGUST 13, 1958

21. Property now held in trust for an individual: Would this property become taxable after August 13, 1958, by forced patents or deeds issued to individuals?

The acting area director, in a letter dated November 3, 1957, answered this question:

"Question No. 3 requests information as to whether or not individual allotments would become taxable after August 13, 1958, by forced patents issued to the individual. This question has previously been discussed with your staff. The law states that all trust allotments or other real property held in trust or with restrictions against alienation, etc., shall be held in fee simple after August 13, 1958. No forced patents will be issued. The only title documents in the nature of a fee patent to be issued will be as the result of an application. We do intend to give each owner of trust property a title report which will show the original allottee, any subsequent actions concerning this property, any valid encumbrances, an abstract of probate findings and a certificate as to the ownership of the property as of August 13, 1958.

"It is to be understood that this is not a title document in the same sense as a patent in fee, but may be recorded to show evidence of title. Since the

law states that the property will be held in fee after August 13, 1958, presumably the county will place the property on the tax rolls."

REGARDING PROTECTION OF TRIBAL PROPERTY AFTER AUGUST 13, 1958

22. Determine how the tribal forest will be protected against fire hazards and any other hazards that may exist after August 13, 1958, inasmuch as Public Law 587, as amended, extends to 1960.

The acting area director, in a letter dated November 3, 1957, answered this question:

"Question No. 4 concerns protection of the Klamath tribal forest after August 13, 1958. The Bureau has had under consideration the possibility of contracting for protection with some other forest protection agency. Accordingly, discussions have been held with forest officials of the State of Oregon, the Klamath Forest Protective Association, and the Forest Service of the Department of Agriculture. These organizations are reluctant to step into the Klamath picture during the calendar year 1958 because of continuing uncertainty concerning disposal of the tribal forest.

"Until Federal control is actually terminated the Bureau is responsible for protection of the forest. For the fire season of 1958, including that intervening the present fire presuppression organization."

REGARDING VARIOUS RIGHTS BECOMING PART OF APPRAISEMENT

23. Seek to ascertain the value of subsurface, hunting and fishing, and water rights now existing on the Klamath Indian Reservation, the object being to make them become a part of the appraisement of assets of the reservation. (Has been under consideration by the committee.)

24. Mineral rights on tribal property: Determine whether or not it would be advisable to hire a geologist to make a surface survey of the reservation and point out likely mineral deposit areas and whether the possibility of licensing prospecting on the reservation should be explored. The latter would require no outlay of cash by the tribe and would stimulate discovery of mineral deposits. However, in view of the short period before sale of tribal property is scheduled to begin, it probably would be advisable for the tribe to put up funds to locate mineral deposits. The above should be given much consideration. It is possible such a program could cost several thousand dollars, but it could also add several million dollars to the value of the tribal assets.

(NOTE.—Letter sent to Defense Mineral Exploration Administration in Spokane, regarding making an exploration.)

25. Cooperate with individual landowners, such as those who are members of the Modoc Point project, in settling water rights as much as possible before termination, at which time water adjudications will be very expensive and lengthy.

26. Determine the difference in cost in regard to the present administration and under State or county.

27. Determine whether it would be advisable to press for an amendment allowing those who wish to elect to remain under Federal supervision, the type of supervision now in effect. Also determine whether it would be feasible to start an adjudication regarding tribal water rights.

REGARDING ALIENATION OF INDIAN LANDS

Emmons affirms policy on tribal rights after termination

Indians can continue to maintain their tribal organizations and hold their lands in common for as long as they wish after termination of Federal trusteeship over their property and affairs, Commissioner of Indian Affairs Glenn L. Emmons said in a statement released today by the Department of the Interior.

He said widespread misinformation among Indians and the public could be corrected by a further congressional declaration of policy on the matter, and added that there were plans to consult Members of Congress about it soon.

The text of the Commissioner's statement follows: "Recently there have been published comments that gave the mistaken impression that termination of Federal trusteeship over the lands of a particular Indian tribe means that the tribal lands must be sold off by the Government and the tribal organization will no longer be permitted to exist. Nothing could be further from the truth. Actually, all the termination laws so far enacted—all the termination bills so far introduced on which this Department has reported favorably—have con-

tained explicit provisions authorizing the affected Indians to continue holding their lands in common and maintaining a tribal organization after termination if they wish to do so. This can be done either through the formation of a corporation or similar organization under State law or through selection by the tribe of a nongovernmental trustee."

The following excerpt, regarding interpretation of section 4, comes from the regional solicitor, Portland:

"It is the opinion of this office that the primary purpose of section 4 of the act is to classify the interests of individual Indian members of the tribe as established by the final roll in the tribal property.

"The section simply declares that an individual's common interest in the tribal property shall be in the nature of personal property rather than in the nature of real or mixed property. The section in no way operates to create a division of the property or to set aside any corporeal interest therein to any individual member of the tribe. It should be noted that any attempt to alienate or encumber any individual's common personal interest in the tribal property is prohibited by the section."

The proposed trust agreement applies to funds of minors, non compos mentis, and those in need of assistance. Their funds will be transferred to a private trust, as proposed by the Secretary of the Interior.

The proposed management plan deals with property of individuals who elect to remain in the tribe.

Mr. WILKINSON. The second point is one which Mr. Jackson tells me he forgot to mention. As far as I know, it is his personal opinion, and it relates to a feeling on his part that, if Federal purchase comes about, that purchase should include allotments in fractionated-interest status and which have not, even those requested by the owners, been sold at appraised prices up to this time.

Senator NEUBERGER. I am glad you mentioned that suggestion of Mr. Jackson's.

Mr. WILKINSON. I have a prepared paper now, which I shall proceed with as promptly as possible. When we appeared before the Senate and House subcommittees last year, we asked for amendments to Public Law 587, 83d Congress, the Klamath Termination Act, which would defer until the adjournment of the 85th Congress the following acts required by section 5 of Public Law 587: (1) Closing and publishing the final Klamath roll; (2) deferring the election whether to withdraw or remain in the tribe; (3) deferring sales of tribal property necessary to pay off withdrawing members; and (4) giving authority to make timber sales as in the past until the termination date.

Congress granted the last 2 requests, apparently concluding that it was not necessary to grant the first 2 requests in order to afford time for further study of the Klamath situation during the 2d session of the 85th Congress.

Since that time, all enrollment appeals have been decided by the Secretary of the Interior, the final roll has been promulgated and published, and work has progressed on the appraisal to be carried out pursuant to subsection 5 (a) (1) of Public Law 587.

The complete appraisal report has not yet been approved or released. On January 31, a short summary statement outlining the realization value reached by the appraisers was released to the Klamath delegates and myself.

Under the present law, the Management Specialists are compelled, immediately after approval of the appraisal, to provide an opportunity to each member of the tribe to elect whether to withdraw from tribal membership or to remain in the tribe and participate in the

tribal-management plan to be prepared by the Management Specialists and agreed to by the tribe and the Secretary of the Interior.

Thereafter, the Management Specialists are required to arrange for sales of so much of the Klamath property as is necessary to pay off withdrawing members.

Virtually all persons or organizations close to the Klamath situation have concluded that Public Law 587 as it stands is undesirable because (*a*) forced sales would flood the lumber market in the Klamath area, (*b*) such sales would bring low prices for withdrawing members, (*c*) lower prices would be received for timber sold by remaining members, (*d*) it would result in irreparable damage to the watershed of Klamath Basin, and (*e*) abnormal sales would create a boom-and-bust economy for the remaining members and the entire Klamath Basin.

Apparently convinced by these conclusions, Congress took the action it did during the 1st session of the 85th Congress in enacting Public Law 85–132.

In addition, it extended the termination date, as it relates to transfer of tribunal property for 2 years and made provision for reimbursement to the tribe of some termination costs.

As is readily apparent, the situation brought about by Public Law 587 has not been cured; some of its damaging implications have merely been delayed. S. 2047 presents a definite possibility for avoiding the dire results predicted if Public Law 587 is carried out as it stands.

The principle of Federal purchase has been approved by the Klamath General Council. S. 2047 has been supported by official action of the executive committee of the Klamath Tribe, with certain amendments. This position is stated in a resolution found on pages 41–42 of the printed record on S. 2047.

The amendments requested by the tribe would eliminate the necessity for a new appraisal, and would retain the requirement that the appraisal be based on "practicable logging or other appropriate economic units."

Even S. 3051 gives promise of at least a partial cure for the ills of Public Law 587. It would tend to avoid a flooding of the market in the Klamath area, would avoid a boom-and-bust economy, and would leave the watershed unimpaired.

However, we believe it has some serious defects:

1. It attempts to set up a new measure of fair market value, a so-called realization value. This is said to be the—

> fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use.

As I understand it, what this definition of fair market value or just compensation means is the price a willing buyer would pay for 70 percent of the forest if required to resell the property purchased within a period of approximately 2 years.

On its face, this amounts to a limitation and a depressant on the price to be realized. Fair market value is the price for which property would sell if exposed to the market for a reasonable length of time, the sale taking place between buyer and seller both of whom are informed about the property and the uses for which it is adaptable, and who are ready, able, and willing to act, but who are not compelled to act.

It does not contemplate, as the definition in S. 3051 contemplates, that the buyer shall thereafter be required to market the land within a fixed term. Furthermore, if I understand testimony of the Department correctly, this is the gist of instrucions given to the appraisers to reach the "realization value" they have reached. If so, the opinion of the appraisers of "realization value" is obviously less than "market value."

Simple justice and the Constitution of the United States require that just compensation be paid for tribal property.

2. It would leave the unsold property belonging to remaining members to be managed and controlled "through a trustee, corporation, or other legal entity," satisfactory to the Secretary and the remaining members. The Management Specialists, after a detailed study of the situation, have recommended to the Secretary of the Interior that such property be handled through a trustee.

If this idea is carried out, it would mean that the remaining members will have no say in management of their property. It amounts, in effect, to a transfer from one trustee to another, a process which offers no visible gain to the remaining members and deprives them of the valuable and perpetual right to tax exemption granted by the treaty of 1864.

It would seem, therefore, that it is only equitable for Congress to insist that the tribe have some power to determine the form of entity to be adopted. We therefore suggest the deletion of section 3, commencing at line 12, page 7.

3. It is submitted that section 4, commencing at line 20, page 7, is an advisable amendment to Public Law 587 if the opportunity to withdraw is retained. The $200,000 provision was inserted by the House committee on the final day of hearings when Public Law 587 was approved by that committee. It was insisted upon by the "liquidation" proponents within the tribe. It would seem that such persons would be benefited by elimination of this provision.

4. It is also believed that the proposed section 5 of S. 3051, a technical editorial change, is desirable and clarifies the present Public Law 587.

MISCELLANEOUS AMENDMENTS

Copco case: Since termination amounts to settlement of affairs between the United States and the Klamath Tribe, we suggest that Congress should require that the Department of Justice proceed with the long-pending case on behalf of the Klamath Tribe against the California-Oregon Power Co. for failure to erect adequate fish ladders at a dam built many years ago, an obligation which the company undertook at the time permission to build the dam was granted to it.

Satisfactory fish ladders were not built, and a supply of fish on which the Klamath members were dependent was eliminated. The Department of Justice has been considering this case for many years and has recently advised the Department of the Interior of its intention to drop the case because of an alleged inability to produce proof.

We believe that competent fish biologists can be retained to reconstruct records for the time involved and testify as expert witnesses to support the claim. This is the only means through which the litigation can be completed. The statute of limitations bars an

action by the Klamath Tribe, but will not bar a suit by the United States on behalf of the Klamath Tribe.

Simple justice requires action on this case by the Department of Justice before the final settlement between the Klamath Tribe and the United States is closed. We ask that an amendment be included or other appropriate action be taken which will persuade the Department of Justice to proceed with this case.

Contracts to obtain legislation: We also ask that this subcommittee adopt an amendment to protect all Klamath tribal members from the possibility of being required or feeling required to pay agents for work or alleged work involved in persuading Congress to enact provisions in Public Law 587 which will provide cash payments for members of the tribe.

We understand that some such contracts were negotiated. We, likewise, understand that they were not approved by the Secretary of the Interior. We ask that language be included to render these or similar agreements null and void.

Cemeteries and parks: By official action of the executive committee, the tribe also requests that this subcommittee, whether it favors S. 2047 or S. 3051, or some other unit-sales approach, provide an opportunity whereby the tribe or a nonprofit organization formed by it, may obtain title to the cemeteries within the reservation, and make provision for creation of State parks as memorials to former leaders of the tribe.

For this purpose, we recommend the language included in section 28 of H. R. 9737.

Senator NEUBERGER. I have discussed this with Mr. Ullman and I believe that if either of the bills are adopted, that this language should be added.

Mr. WILKINSON. Mr. Chairman, this is an alternative if S. 2047 fails:

Those of us who have lived closely to the Klamath problem realize the difficulty in persuading Congress at this time to enact Federal purchase or even partial Federal purchase legislation. Although we think Federal purchase desirable, we suggest for your consideration, in the event it should prove impossible, the following alternative to solve or alleviate the situation brought about by Public Law 587:

1. A moratorium on the actions required by section 5 of Public Law 587 for a period of 2 to 4 years, the establishment of a competent board composed of representatives of the Department of the Interior, the Department of Agriculture, the State of Oregon, the Klamath Tribe, and public repersentatives.

This board would be authorized and directed to study the Klamath problem and report to Congress recommendations to effectively and equitably relieve the Federal Government of further necessity for supervision of the Klamath Tribe.

In this connection, we believe that the State of Oregon has never had adequate opportunity for consideration of the problem which is being transferred to it by Federal action.

2. Repeal of Public Law 587, possibly with the understanding that substitute legislation would be planned and presented to Congress. But for the practical question whether it is possible to persuade Congress to adopt this course, I would favor it over the first alternative above.

3. Amend Public Law 587 so as to provide for agreement between the tribe and the Secretary on the future plan for management of tribal property in advance of the election whether to withdraw, and couple this with an extension of time during which, according to competent appraisal opinion, the property to be sold to pay withdrawing members may be marketed without flooding the market.

To those 3, Mr. Chairman, and on the basis of the testimony given by the 4 delegates immediately preceding me, I must add a fourth one, which would be the possibility that if agreement or an equitable solution of the problem of prices is not agreed upon, that the bill be amended in such manner as to merely transfer title to the tribe and allow it to manage and operate its own property.

Senator NEUBERGER. Would that last fourth suggestion which you have just added include the elimination of the withdrawal provision?

Mr. WILKINSON. Yes, sir.

Senator NEUBERGER. The termination act was passed for the Menominee Tribe in Wisconsin. Is that true, Mr. Lee?

Mr. LEE. That is true.

Senator NEUBERGER. Was there any withdrawal provision in the act?

Mr. LEE. No. It made provisions for the Menominees to come up with a plan for the management of their program.

Senator NEUBERGER. In any termination——

Mr. LEE. It would not preclude a withdrawal provision provided the tribe came up with some kind of a plan.

Senator NEUBERGER. But there is not now a withdrawal provision in the Menomnee Act?

Mr. LEE. That is correct.

Senator NEUBERGER. Has any Indian termination act with the exception of the Klamath Act ever been passed, to your knowledge, with a withdrawal provision?

Mr. LEE. Not with this set of provisions.

Senator NEUBERGER. With any withdrawal provisions substantially similar to this? I do not mean the exact language, but in purpose.

Mr. LEE. No. The reason I hesitated, there have been acts that have permitted the tribe to go ahead and make distribution of certain property, but no act specifically provided this vehicle.

Senator NEUBERGER. It would not be provided by the law and the President, as is presently called for in Public Law 587?

Mr. LEE. That is correct. The Klamath Act was the only one that specifically provided that provision.

(The following material, which bears on the testimony of Mr. Wilkinson, was submitted to the subcommittee by Management Specialists on February 14:)

SUPPLEMENTAL STATEMENT OF THE MANAGEMENT SPECIALISTS

The views of the Management Specialists concerning S. 3051 were contained in a statement presented to the Senate Subcommittee on Indian Affairs at a hearing session held on February 6, 1958, at Washington, D. C. Immediately following the presentation of that statement several members of the Klamath executive committee submitted statements. Also a statement was presented by Mr. Glen A. Wilkinson, a member of Wilkinson, Cragun & Barker of Washington, D. C., the law firm that represents the tribe.

This supplemental report of the Management Specialists is being prepared in order to correct an impression which may have been derived on the basis of

the statement submitted by Mr. Wilkinson. The impression referred to is that conveyed by the following portion extracted from Mr. Wilkinson's presentation:

"* * * The Management Specialists, after a detailed study of the situation, have recommended to the Secretary of the Interior, that such property be handled through a trustee. If this idea is carried out, it would mean that the remaining members will have no say in management of their property. It amounts, in effect, to a transfer from one trustee to another, a process which offers no visible gain to the remaining members and deprives them of the valuable and perpetual right to tax exemption granted by the treaty of 1864. It would seem, therefore, that it is only equitable for Congress to insist that the tribe have some power to determine the form of entity to be adopted * * *"

On the basis of the foregoing it might be assumed that the form of trustee management proposed in the tentative plan of management prepared by the Management Specialists was not in accordance with the wishes of tribal members. To correct this impression we are attaching hereto a copy of appendix B, exhibit 11 of the tentative plan of management entitled: "Attitudes and Opinions of the Klamath People Toward Withdrawal and Toward the Type of Organization for Managing the Property Retained for Remaining Members." These attitudes of the adult Klamath Indian people with whom personal contacts were made during the summer of 1957 may be summarized briefly as follows:

1. Approximately 76 percent of the members may elect to withdraw from the tribe when given the opportunity to do so.
2. Members of the tribe are preponderantly in favor of some form of trustee management under which there is reasonable assurance of competent control.

The two attitudes summarized above are very closely related. This has been obvious to those persons who have had relatively intimate knowledge of the feelings of the majority of the Klamath people. After it had become generally known by tribal members that a trustee was being recommended as the form of legal entity to control the management for members electing to remain under the management program there was a noticeable shift toward a desire to remain in the tribe. This may result in a substantially larger percentage of the members electing to remain in the tribe than indicated under item 1. above. On the other hand it is the firm belief of the Management Specialists that only 15 to 20 percent of the members will elect to remain in the tribe if such trustee management is not assured.

The indicated lack of faith, by tribal members, in the ability of the tribe to conduct its own affairs as a business corporation may also be considered as extending to include the alternative proposal that the Klamath tribal lands be turned over for unrestricted management purposes to the tribe itself. It is the firm belief of the Management Specialists that such action would be vigorously protested by the majority of the members of the tribe.

MANAGEMENT SPECIALISTS,
T. B. WATTERS,
Chairman.

APPENDIX B, EXHIBIT 11

ATTITUDES AND OPINIONS OF THE KLAMATH PEOPLE TOWARD WITHDRAWAL AND TOWARD THE TYPE OF ORGANIZATION FOR MANAGING PROPERTY RETAINED FOR REMAINING MEMBERS

During the late spring and early summer months of 1957, the Management Specialists, in cooperation with the State department of education and the Bureau of Indian Affairs, conducted an intensive educational program to acquaint individual members of the Klamath Tribe living on the reservation with the requirements of section 5 of Public Law 587. The primary objective of the program was to disseminate as much information as was available to the individual members through personal interviews. However, during the course of those interviews the current attitudes and opinions of many of these members, concerning withdrawal and concerning the desirable form of management

organization, was determined by asking questions. Following is a summary of the individually tabulated results of these questions:

1. Members definitely determined to withdraw	61
(*a*) Consider trustee management for remaining members advisable	48
(*b*) Favor organization of remaining members as business corporation	0
(*c*) No opinion expressed concerning organization	13
2. Members desiring to remain under management program	16
(*a*) Consider trustee management for remaining members advisable	11
(*b*) Favor organization of remaining members as business corporation	0
(*c*) No opinion expressed concerning organization	5
3. Members currently undecided concerning withdrawal	88
(*a*) Consider trustee management for remaining members advisable	58
(*b*) Favor organization of remaining members as business corporation	1
(*c*) No opinion expressed concerning organization	29
4. Total number of persons for whom interview forms were completed	165
(*a*) Total number favoring trustee management	117
(*b*) Total number favoring business corporation	1
(*c*) No opinions expressed on organization	47

It should be noted that a substantial portion of the members who wish to remain to participate in the management program, as well as of the members who are presently undecided, question the ability of tribal members to properly manage a corporation. On the basis of opinions expressed at these interviews, it appears that many of the persons listed in these two groups will not elect to remain unless they are reasonably assured that the program will be properly managed.

It should be further noted that only one of the present members of the tribal executive committee was included among the members interviewed. Accordingly, the above findings may not be completely unbiased. However, the primary purpose of this phase of the educational program was to disseminate information to, and to obtain the opinions of, the tribal members who have had less opportunity than the executive committee members to obtain information concerning the provisions and requirements of Public Law 587.

The tabulated results, which include approximately one-fourth of the adult members living within the Klamath Reservation tend to support the conclusions shown in the Stanford Research report of April 1956. This is determined in the following manner. Assume that one-half of the persons presently undecided concerning withdrawal, elect to withdraw. In that case the proportion of the adult members living within the reservation who would so elect would be determined as follows:

Those definitely decided to withdraw	61
One-half of these presently undecided	44
Total	105

105 out of 165 is equal to 64 percent.

Assume further that approximately two-thirds of the total number of tribal members are represented by the portion of the tribal members interviewed (those that live on the reservation). Also assume that the entire one-third portion of the tribe that lives away from the reservation will elect to withdraw--

an assumption that appears justified on the basis of all information received to date. Then the estimated portion of tribal members who may elect to withdraw can be calculated as follows:

	Percent
Two-thirds (on reservation) weighted 64 percent	42.7
One-third (away from reservation) weighted 100 percent	33.3
Approximation of percentage withdrawal	76.0

The foregoing approximation of withdrawal percentage should be qualified by the following realizations:

1. Members of the present executive committee were not interviewed in the same proportion as were other tribal members residing on the reservation. It is generally known that several members of that committee have publicly expressed desires to remain in the management program.

2. The assumption that only 50 percent of the presently undecided members will elect to withdraw may be much less than the percentage of those members that will actually elect to do so. The final decisions of this undecided group may be proportioned more nearly in accordance with the decisions of those who have already determined what their election will be. Thus the percent of undecided members who elect to withdraw may be as high as 61 divided by 77, or 79 percent.

Senator NEUBERGER. I believe you had a supplementary statement, Mr. Wilkinson? You may proceed, if you wish.

Mr. WILKINSON. There has been considerable discussion and possibly some confusion respecting hunting, trapping and fishing rights owned by the members of the Klamath Tribe. This is an attempt to clarify the status. Subsection 14 (b) of Public Law 587 reads:

(b) Nothing in this Act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty.

Under article I of the treaty of 1864 between the Klamath Tribe and the United States, the Indians comprising the Klamath and related tribes reserved—

the exclusive right of taking fish in the streams and lakes, included in said reservation, and of gathering edible roots, seeds, and berries within its limits. * * *

Following the adoption of Public Law 280, 83d Congress, which transferred to certain States, including Oregon, jurisdiction over civil and criminal matters arising on Indian reservations, the Department of the Interior took the view that the State of Oregon could enforce against, for instance, subsistence hunters among the Indians on the Klamath Reservation the same limitations of season, species sex and bag limit which it enforces against sports hunters elsewhere in the State.

While Public Law 280, 83d Congress, purported to save to the tribes treaty rights of hunting, fishing, and trapping, the Department took the view that hunting and trapping were not treaty rights of the Klamaths within their treaty reservation since the treaty mentioned only fishing.

This assertion of the Department followed not only Public Law 280, 83d Congress, but the adoption of Public Law 587 as well.

Not being content with this interpretation, the Klamath Tribe, in conjunction with the Umatilla Tribe, directed its tribal attorneys to seek a court adjudication that the treaty of 1864 impliedly reserved exclusive hunting and trapping rights in addition to exclusive fishing rights.

By a ruling issued March 13, 1956, to which both the United States and the law enforcement authorities of the State of Oregon were parties, the United States District Court for the District of Oregon

ruled that the Klamath Tribe and the members thereof have an exclusive right, privilege, or immunity under the Treaty of 1864 to hunt and trap upon the Klamath Indian Reservation without restriction or control, except such restriction or control as may impose upon themselves.

Most certainly, if the United States acquires the Klamath Reservation and does not allow the tribe to reserve exclusive hunting, trapping and fishing rights guaranteed to it, its members and descendants, just compensation must be paid for the loss of those rights, rights which are as valuable as timber or minerals.

Likewise, the appraisal undertaken by Western Timber Services should include items covering such property rights unless, of course, it is assumed that Public Law 587 leaves such rights undisturbed.

The court adjudication mentioned above followed the enactment of Public Law 587. Assuming, as we understand it, that Congress intended to reserve to the tribe and its members all treaty rights, we believe that the language in subsection 14 (b) of Public Law 587 should be clarified.

On that assumption, we recommend that the section be amended to read as follows:

(b) Nothing in this Act shall abrogate any hunting, trapping or fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty.

If Federal purchase is adopted, we see no difficulty in leaving this right unrestricted; nor do we see any reason why the fair market value to be paid by the United States should be affected. It is possible that the amount paid under a program of purchase by private interests might be affected to a small extent.

Senator NEUBERGER. It is just 5 minutes to 12.

Thank you very much, Mr. Wilkinson, and both Messrs. Kirk and Jackson, for this very helpful information. I believe some further questions which we desired to ask of you will be extremely crucial tomorrow on this record, and we look forward to seeing you at 10 o'clock in the morning in room 155.

Mr. SIGLER. You asked me for a statement about hunting and fishing rights. I have one by Mr. Chilson that I would like to give to you.

Senator NEUBERGER. I would like to look it over before we include it in the record. This will be included at the appropriate place.

(The statement on hunting and fishing referred to appears on p. 491.)

We will recess until 10 o'clock tomorrow morning, Friday, February 7, 1958.

(Whereupon, at 11:55 a. m., the hearing was recessed, to reconvene at 10 a. m. of the following day.)

98089—58—pt. 2——12

AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

FRIDAY, FEBRUARY 7, 1958

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10:10 a. m., in room 155 of the Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee) presiding.

Present: Senator Neuberger.

Present also: William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McCherry, assistant chief clerk.

Senator NEUBERGER. I am sorry to be a few minutes late, but yesterday morning it was the prayer breakfast and this morning it was the Boy Scout breakfast. I think they are very important undertakings, and I trust I am forgiven for starting the hearing 10 minutes late.

I believe yesterday we heard from the gentlemen who are representing the Klamath Tribe, along with Mr. Wilkinson, their attorney. They presented their direct testimony. Mr. Wilkinson presented his statement, explained it, paraphrased it, and amplified it.

This morning we would like to ask some questions of the attorney for the Klamath Tribe. I am going to let Mr. Coburn, the counsel for the committee, develop some points which we mutually think are important to amplify and develop further from testimony by the counsel for the tribe and the tribal representatives themselves.

Mr. COBURN. Mr. Wilkinson, on page 6 of your prepared statement, you have a few comments regarding need for some remedial action to be taken regarding alleged agency contracts. Would you care to elaborate on that?

STATEMENT OF GLEN A. WILKINSON—Resumed

Mr. WILKINSON. Mr. Chairman, Mr. Coburn, I have no direct information on this problem, but it is reported to me that, in addition to some proposed contracts between the Klamath tribal members and 1 or 2 attorneys, which contracts, as I understand it, were not approved by the Department because the attorneys involved resigned prior to action by the Department. But, as I was saying, I have been informed that there may be other similar or like contracts not involving attorneys.

Mr. COBURN. Not involving attorneys?

Mr. WILKINSON. That is correct. That is what has been reported to me. So far as I know, it is merely rumor, and no one who has advised me of it has been able to produce a contract, but it seemed to the delegates and myself that we should mention it to the committee in case the committee desired to include an amendment.

Mr. COBURN. Do you have any idea with whom the contracts were entered into, other than attorneys and members of the Klamath Tribe?

Mr. WILKINSON. It has been reported to me, if there are such contracts, they are with one or more members of the tribe.

Mr. COBURN. And between members of the tribe?

Mr. WILKINSON. That is correct.

Mr. COBURN. But you do not have any proof of this?

Mr. WILKINSON. No, sir.

Mr. COBURN. Has the Indian Bureau been made aware of these rumors?

Mr. WILKINSON. Not that I know of, Mr. Coburn. I first heard the possibility of other contracts just last week and I have not reported it to the Bureau.

Mr. COBURN. In other words, you are just alerting Congress to the possible need for remedial action?

Mr. WILKINSON. I think that is correct, sir.

Mr. COBURN. At the bottom of page 7 of your statement, you suggest certain alternatives if S. 2047 fails, and I assume you also meant to include there, also, if S. 3051 fails.

Mr. WILKINSON. I think that is substantially correct, although I would prefer any of the alternatives listed here to S. 3051.

Mr. COBURN. That was my next question. In other words, you feel that, in the event that S. 2047 is not enacted, rather than S. 3051, you would rather have the Congress act on these?

Mr. WILKINSON. Yes. This was with respect to S. 3051's failure to provide just compensation.

Mr. COBURN. Do you care to say anything else regarding these courses of action? I feel you did not have enough time yesterday to fully elaborate on the reasons for these alternatives.

Mr. WILKINSON. These are alternatives which have been considered by the executive committee and the leaders of the tribe. For at least a year they have been fully considered. I repeat, they have been the subject of much discussion, and even before S. 3051 was approved substantially in the form and in the order set forth in this statement by the Klamath Executive Committee, and having in mind the deficiencies which we think we see in S. 3051, we still urge upon the subcommittee to consider these possibilities if S. 2047 or something similar cannot be acted upon.

Mr. COBURN. In other words, you are wholeheartedly in favor of a Federal acquisition bill such as S. 2047, but, failing enactment of that legislation, you would suggest that any 1 of these 3 alternatives, or a combination of the 3 alternatives, be enacted; is that correct?

Mr. WILKINSON. That is correct.

Mr. COBURN. Is it true that you favor alternative No. 2 over the ones numbered 1 and 3? That is on page 8.

Mr. WILKINSON. I say that in my statement. I think, in direct answer to your question, I should qualify it to the extent and possibly

elaborate on the reason I give in the statement, which is that I think it would be well to persuade Congress to take that course.

Mr. COBURN. That is, repeal of Public Law 587?

Mr. WILKINSON. Yes, sir. Because of that, I would favor some medium route, because we are not going to have much opportunity to persuade Congress during this session.

Mr. COBURN. With regard to suggestion No. 3, which is to amend Public Law 587, so as to permit, I assume, some negotiation between the Secretary and the tribe, or the management of the property, who would represent the tribe in these negotiations?

Mr. WILKINSON. Historically and in accordance with the Constitution, the executive committee would be the authorized body in the absence of some other action by the general council or the executive committee.

Mr. COBURN. That would be these gentlemen presently here today?

Mr. WILKINSON. The executive committee is composed of 10 members elected by the tribe, and 6 members of the tribe who are here are members of the executive committee.

Mr. COBURN. With regard to members of the tribe who testified here, on page 5 of their prepared statement, the final paragraph, which I think the chairman read into the record yesterday and which I will not read in full, says:

> If agreement cannot be reached, we ask that the property be transferred to a legal entity to be formed by the tribe.

Do you have anything in mind regarding the kind of legal entity that would be appropriate to this sort of thing?

Mr. WILKINSON. So far as I know, it would be a corporation, a cooperative, or a form of trust. My guess is that it would be a corporation.

Mr. COBURN. Would you care to develop that a little further as to what you think this corporation would be empowered to do, what it would be precluded from doing, and so on?

Mr. WILKINSON. I would have in mind, at least at this stage, no inhibitions, if that is what you mean by what it might be precluded from doing. I would have in mind only the usual business corporation operated through a board of directors, the stock of which will be held by the 2,133 members of the tribe or their estates.

Mr. COBURN. What about restraints on the negotiability or alienation of the shares of the corporation?

Mr. WILKINSON. I am certain if a corporation were formed that that would come in for consideration. It has been the subject of considerable discussion, and I think there is possibility whereby restriction might be confined to, or first refusal provided to, the corporation to purchase shares of stock if offered for sale.

Mr. COBURN. The endeavor, as I understand your statement, is to set up a closed type of corporation; is that correct?

Mr. WILKINSON. I think that would be an accurate characterization. I want to emphasize that it is merely a possibility. There has been nothing beyond the discussion stage.

Mr. COBURN. Have you also considered the advantages taxwise and otherwise of a cooperative?

Mr. WILKINSON. Under the Oregon laws, I understand that, and this is based largely on the study by the Management Specialists—

there are no tax advantages of a cooperative as compared to a corporation. Assuming the formation of a cooperative in Oregon, there would be no choice on that factor.

Mr. COBURN. With regard to the preparation and submission of a so-called management plan to the Secretary for his final approval or disapproval, as the case may be, what kinds of assistance would the Indians require other than what is available to them now in preparing such a plan, insuring that their welfare and rights were taken care of?

Mr. WILKINSON. Are you assuming this possibility set out on page 5 of the statement?

Mr. COBURN. That is right.

Mr. WILKINSON. I cannot think of anything offhand that would be required in additon to the help already available.

Mr. COBURN. That is the help of the Federal Government, the help of legal counsel; and so on?

Mr. WILKINSON. Through the Department of the Interior.

Mr. COBURN. So you do not envisage any additional costs to the Government in the preparation of such a plan?

Mr. WILKINSON. No, I don't, not at this stage at least.

Mr. COBURN. Could you give us an estimate of the length of time you think it would be necessary for such a plan to be prepared and presented?

Mr. WILKINSON. I think you appreciate, Mr. Coburn, it is difficult, especially when you are dealing with a group such as an Indian tribe, to try to obtain agreement, details and general principles, and I would be fearful of estimating anything under a year as a minimum.

Mr. COBURN. A year within which to work out the details?

Mr. WILKINSON. Yes, to work out the details of the organization, and it could well be considerably longer than that.

Mr. GAMBLE. Would you consider something like a year and a half, say from this coming August—for example, December 31, 1959?

Mr. WILKINSON. At this stage of our thinking, it would seem to me that that time would be adequate.

Mr. COBURN. I realize this is a speculative matter, but there are some things, Mr. Chairman, I think ought to be brought out now with regard to such a plan. With your permission, I would like to ask such questions.

Senator NEUBERGER. You may proceed.

Mr. COBURN. If this should be directed to the Indians, then let them answer, but would you people be willing to include in a plan for your own management of the reservation preservation of the Klamath marsh for migratory birds and wildlife, and safeguards to insure that that land would remain as it is?

Mr. WILKINSON. I think I would have to pass on that. I have heard discussions of tribal members where they have discussed possible use of that for grazing, which would be inconsistent for the purpose you mentioned.

Senator NEUBERGER. For grazing, you mean for graining?

Mr. WILKINSON. That is right. That would be inconsistent with the objective you mentioned.

Mr. COBURN. Let's assume again that the Federal Government came to the Indians with a proposal to purchase so much of that

area as the Government felt was necessary to establish a national wildlife refuge there. What would be your reaction to that?

Mr. WILKINSON. Consistently with the official position of the tribe now, which is Federal purchase of the entire reservation, if the price is fair, I should think that that would be met with careful consideration and probably it could be arranged.

Mr. COBURN. Would you be willing to include in the plan a safeguard to insure sustained-yield management of the forest resources?

Mr. WILKINSON. That is a tough question. I do not know the answer. We have discussed it a lot. I simply cannot even give you my impression on that at this moment.

Mr. COBURN. Assuming again that the corporation might wish to sell off some of the lands under its control, would you be willing to give the Federal Government the right of first refusal?

Mr. WILKINSON. You are asking me and I would not have the power, nor would I presume to try to answer that. I would be inclined, as I see it now, to recommend that to the tribe.

Mr. COBURN. That is all I have, Mr. Chairman.

Senator NEUBERGER. Mr. Wilkinson, I would like to ask you several questions.

I think the record should further develop the few remarks you made last October out in Oregon.

Section 5 of the Termination Act is that which permits the withdrawal of individual members; is that correct?

Mr. WILKINSON. Yes, sir.

Senator NEUBERGER. That is the main distinction between this Termination Act and other termination statutes such as the Menominee Act. I think Mr. Lee said that yesterday.

Mr. LEE. That is correct.

Mr. WILKINSON. That is substantially correct.

Senator NEUBERGER. I probably should have asked that of Mr. Lee. He has more general knowledge, certainly, of this than I.

As I recall, you told us that the withdrawal feature was added to the bill at the 11th hour in the House of Representatives; is that correct?

Mr. WILKINSON. Perhaps I should qualify "11th hour" a little bit.

As I recall, the bill was reported by the House committee—perhaps I should be accurate, Mr. Chairman, and give you precise dates on that.

Senator NEUBERGER. While you are looking for the material in your briefcase, I should like to explain this.

I believe the record should reveal as nearly as possible just how this happened that this unfortunate provision was included that puts us all under the gun as to time, and which would allow, under the Termination Act, this complete and hasty liquidation of the reservation if a substantial number of Indians elect to withdraw.

Mr. WILKINSON. In general answer to your question, Mr. Chairman, I believe it resulted from compromise between two factions within the tribe, represented by myself, on behalf of what we then referred to as the official delegates of the tribe who had been elected as delegates to the tribe.

Mr. Crawford was in Washington and was represented by counsel, along with members of the staff of the House committee and a good

number of representatives of the Department of Interior, and it developed from a series of conferences over a period of perhaps a month. Most of the conferences in the beginning were confined to the Indians and their representatives, and representatives of the Department of the Interior.

So far as I can remember, the general proposal—that is, the language set forth in Public Law 587 as we now have it—was not proposed to Congress until the morning, or at least a day or two before it was adopted and reported by the House committee.

Perhaps Mr. Lee can correct me if I am incorrect.

Mr. LEE. That is substantially correct.

It was reported the morning of the hearing.

Mr. WILKINSON. I might add to that, Mr. Chairman, and I think possibly the record already contains this, but the reasoning on behalf of Mr. Boyd Jackson, Mr. Jesse L. Kirk, and myself, was that a provision of this kind would accomplish the voluntary withdrawal principle that the tribe had supported for a period of 5 or 6 years, commencing about 1948, although it was not as favorable from the viewpoint we then held as the bills which had previously been before Congress in at least two important respects.

Prior bills had provided, I think, that a maximum of 80 percent of the individual share of the tribal member would be paid to that member on withdrawal from the tribe, and also a hold on the purse strings was reserved by the general council of the tribe, which would make available only so much of tribal funds as it desired to pay withdrawing members.

In the series of conferences I mentioned, including the one on the last morning, we again made efforts to get agreement on one or both of those principles, but we were not able to do so.

Another reason for action of the official delegates was the fact that the bill, as you know, contained a provision for the payment of $250 per capita to members of the tribe. The official delegates were under terrific pressures through letters, phone calls, and other communications to take almost any legislation which would allow that per capita payment to be made.

Senator NEUBERGER. When was the per capita payment added to the bill?

Mr. WILKINSON. I am looking at a bill which was introduced on January 18, 1954, S. 2745.

Senator NEUBERGER. Who introduced that bill?

Mr. WILKINSON. Senator Watkins. If I am not mistaken, this is the bill that was forwarded to Congress by the Department as a result of House Concurrent Resolution 108.

Senator NEUBERGER. Could you, Mr. Lee, tell us when the per capita payment provision was put into this?

Mr. LEE. I believe a separate provision was put in by Congressman Coon.

Senator NEUBERGER. Do you mean it was added in the House after the Senate?

Mr. LEE. That is my recollection, but I am not absolutely sure. I would have to qualify that because I am not absolutely sure. I do know that a separate bill had been considered. I would not agree that that was a substantial item in the final consideration of this bill.

Senator NEUBERGER. Mr. Wilkinson has said that the tribal representatives back here were under terrific pressure from their people to accept the bill in any form because of this per capita payment, and that is in the record. It comes from the attorney for the tribe, and I think it is important because of that to find out when this was added and just why it was put in the termination bill.

The $250 per capita payment had nothing to do with termination. I think this is a very important thing, Mr. Lee, because I believe the reputation of the Indian Bureau and everybody associated with this is at stake. We had testimony out in the State of Oregon from civic leaders, business representatives, labor leaders, social leaders, and so on, that the bill that passed was substantially different from the legislation on which hearings had been held in the State of Oregon. I was not a Member of the Senate or of Congress then. I was just a private citizen, although I was a member of the State legislature.

Here are people who worked in the Klamath Basin and took an active interest in this. They testified there was never any hearing, to their knowledge, on this withdrawal provision which certainly changed the basic nature of the Termination Act and its operation.

Maybe they are wrong, but if I am not mistaken, we did not have substantial testimony to that effect.

Mr. LEE. I believe that is correct. There were no hearings in Oregon on the withdrawal provisions. Originally when the bill was proposed by the Department, it did not contain this withdrawal provision. As I recall the sequence, both factions of the tribe testified against the bill that the Department introduced, which bill was quite similar to the Menominee bill.

In the final days of the consideration in the House, and the House was starting to mark up the bill or consider the bill—the two factions were still in substantial disagreement with the bill that the Department had proposed.

As Mr. Wilkinson says, there then ensued a number of informal negotiations at the suggestion of the committee. Those negotiations continued up until the morning of the hearing and in those negotiations various differences of opinion were brought up by the two factions.

However, I think the night before the hearing—incidentally, this was to be the last hearing of the House—the two factions were substantially in agreement. As I recall, there was one point of disagreement. It was a matter of timing. One faction wanted less time than was in the draft that was proposed. That faction, as I recall it, agreed the following morning just before the hearing to the bill as considered the day before, and the House called the bill up.

They asked the Department if we had any objections to it or if this was satisfactory to us, and the Department indicated that it was. They called the legal counsel for the two factions before the stand and asked them if they were in full accord with the bill that was before them. They both indicated they were. Then they asked the tribal delegates on the two sides their opinion of the bill, and both groups endorsed it and the House committee passed it out.

Senator NEUBERGER. Did this bill which you were asked about and which you indicated was satisfactory to the Department then contain the withdrawal provision?

Mr. LEE. Yes, sir.

Senator NEUBERGER. And it did contain the $250 per capita payment at that time?

Mr. LEE. Yes, sir.

Senator NEUBERGER. Why did the Department approve those two provisions?

Mr. LEE. The Department approved those two provisions for this reason: As Mr. Wilkinson indicated, the tribe had gone on record on a number of occasions attesting to the fact that they were willing to have this dissident group withdraw. It appeared there could not be any sound working arrangement within the tribal group as long as you had those divergent views. In the discussions, it was developed finally that the group that wanted to remain felt they would be just as well off, if not better, if they let the one group get out. I think it has come about that it is a matter of economics.

At the time, it was considered that it was a minority group, and when the two groups decided that they were both happy with the bill and that this would be a sound solution to their problems, and so testified before the Congress, the Department agreed.

Senator NEUBERGER. Did the Department believe that it was sound legislation to include a $250 per capita payment?

Mr. LEE. Under the circumstances, as I recall, and I am not absolutely clear on this provision of the per capita, when it came in, we were confident that per capita should be made. We did not have the authority to make it. There was a separate bill before the House authorizing it; and, in order to get the per capita in and to save time, it was added.

As I say again, I am not absolutely sure of those facts. I would like to check them before I make such a positive statement.

Mr. WILKINSON. Maybe I can help on this matter.

I reviewed this matter, and it is clear that the per capita provision was inserted in S. 2745 while it was still pending before the Senate on June 25, 1954, and on the basis of that——

Senator NEUBERGER. Was that inserted in committee or from the Senate floor?

Mr. WILKINSON. It appears to have been inserted in the committee.

Senator NEUBERGER. It was in the bill as reported?

Mr. WILKINSON. Seeing this, my recollection at this moment is, as Mr. Lee has indicated, that that represented action by the committee, combining the termination and the per capita bills.

Senator NEUBERGER. In other words, was there a per capita bill in the Senate?

Mr. LEE. I do not know. I know there was one in the House. I remember some discussion on it.

Senator NEUBERGER. I would like Mr. Gamble to get the record of the Senate committee to determine just when, for the record of this hearing, that per capita payment provision was considered.

Mr. GAMBLE. I will, sir, and supply it for the record.

(Information referred to follows:)

MEMO TO SENATOR RICHARD NEUBERGER

From James H. Gamble.
Subject: Inclusion of per capita payment in Klamath Termination Act.

I have traced the legislative history of S. 2745, 83d Congress, the Klamath Termination bill which became Public Law 587. The records of the Senate Interior Committee show that the bill was reported by the Indian Affairs Subcommittee to the full Interior Committee on June 15, 1954. At that time the bill had been amended in section 6 to provide for a $250 per capita payment to the Indians. The bill, as reported to the full committee, was reported to the Senate and passed without further amendment. The official transcript of June 15 contains some general discussion on S. 2745, but no mention is made of the per capita payment provision, or how it came to be included in the bill.

Senator NEUBERGER. I think it is very important that that be shown.

Mr. Wilkinson, to your knowledge, did any Member of the Senate or House either from Oregon or otherwise actively oppose this bill containing the withdrawal provision and the per capita payment?

Mr. WILKINSON. Mr. Chairman, after action was taken by the House, we heard that Senator Cordon had some doubt about the advisability of the provisions of section 5. We talked with him at least one time, perhaps twice, and having agreed, as Mr. Lee has indicated, before the House committee, we told him that as official representative of the tribe, we favored the bill, which agreement had come about as a result of the events I have told you.

He said he would go along with it and if we could see by the next Congress that it was not working out well, we could do something about it then.

Senator NEUBERGER. In other words, the House version was accepted by the Senate and it did not go to conference?

Mr. WILKINSON. That is correct.

Mr. SIGLER. Since you are developing the point of how the withdrawal procedure got in the bill, may I develop it a little further?

Senator NEUBERGER. I think in all of the statements from the Department, most of the statements pointed out how unfortunate it was, and many leaders of groups have said how unfortunate it was.

If I am not mistaken, the letters from Mr. Seaton and Mr. Chilson also say it was unfortunate.

Mr. SIGLER. My comment has been partially covered, but I would like to be sure the substance is clear.

The subject of withdrawal from the tribe was called voluntary withdrawal from the tribe in the earlier versions, and bills for that purpose were introduced on several different occasions.

In the 81st Congress, S. 738 and S. 3624 were introduced by Senator Cordon. They were the voluntary withdrawal bills. That was in 1950 and 1951.

At the same time, Congressman Stockton in the House introduced comparable bills. They were H. R. 4559 and H. R. 3094. Different

versions of those bills, but still withdrawal bills, were introduced in the 83d Congress by Senator Cordon. The number was S. 1034 and in the House, by Congressman Coon, it was H. R. 3402.

As I say, those were not the same bills, but they were another version of the withdrawal bills. Hearings were held on some of those bills. I do not have the actual records, but the subject of letting some of the members withdraw from the tribe, what we call the dissident group, had been under consideration during that time.

As Mr. Wilkinson indicated, the mechanics for letting them withdraw went through varying stages and there were restrictions on the method by which they could withdraw; but the subject of withdrawal had been under consideration for quite some time, and that was the background under which this final version that became law was worked out.

The withdrawing group, the faction that wanted to withdraw, was unwilling to subject themselves to the control of the majority. That is, they did not want their right to withdraw to be contingent upon the consent of the majority group, because they were fearful that that consent would not be forthcoming.

It was in that context that the final negotiations that Mr. Lee described to you were conducted, and those discussions went on over some period of time there during the closing days of the Congress, and it was not something worked out in great haste. It was the culmination of several years' discussion of the subject.

It is correct that that version was not discussed or debated in the committees, and it was not discussed in hearings in Oregon, but it was the final product that was the culmination of several years' work and discussion on the subject.

Mr. COBURN. Was there a public hearing in the House on the final version?

Mr. SIGLER. When that became law, no.

As Mr. Lee indicated, the House committee reported out the bill on the basis of an oral statement or description of the procedure and on the basis of a unanimous agreement between the two factions of the tribe. The Department indicated, we thought, acceptability.

On the basis of that record, the House subcommittee reported the bill and there were no further hearings.

Mr. GAMBLE. Did the Department, in reporting on the withdrawal bills which had been introduced since the 81st Congress, report on them favorably, or do you recall?

Mr. SIGLER. I made a partial check but I was not able to completely check. I think that on the earlier version of the bills, the ones in 1950, the Department never filed a report because we were discussing with the tribe the mechanics and the fairness of the procedure.

My recollection is that on the final withdrawal bill we did report—I am fairly confident of this—there were several problems unanswered in that voluntary withdrawal procedure.

Senator NEUBERGER. To quote Churchill, "This is an enigma which wraps up a mystery inside a riddle."

To me, it is just incredible that the Department of the Interior and Members of Congress did not see what the impact would be on these resources if any substantial number of Indians elected to withdraw, and this was made possible in this election.

You know as well as I do that the Indian Bureau and the Department of the Interior have to accept responsibility for the fact that the President of the United States signed this legislation. Here is legislation with this terrific impact on our State.

That is the reason for these repeated hearings these last 3 years, and it is this controversial provision that has us under the gun. If I were involved, I would feel I was culpable to some degree.

Mr. SIGLER. You may not agree, Mr. Chairman, but the facts as we understand them are as Mr. Chilson indicated in his testimony, that the number of withdrawing members was not anticipated at the stage when this was all happening; the feeling was that the withdrawals would be fairly small in number.

The second factor is that the subject of withdrawing from the tribe had been the subject of hearings in the proceedings I have just indicated, so it was not a new subject matter, and I believe it is not unusual for committees of the Senate and the House, after they have held hearings on the subject for considerable time, to work out a version of the bill which is not consistent with the one that was originally introduced.

Senator NEUBERGER. This so changed the bill that we have had 3 years of these hearings about the problem that is posed and created and here we are today and we still do not know how many Indians are going to withdraw.

The fact that this bill made it possible for 1 percent of them to withdraw or 99 percent of them to withdraw, and yet it was not the subject of any examination at all in the form in which it was finally altered seems to me a very crucial thing. One of the defenses that has been offered is that at the last minute the groups of Indians agreed on the withdrawal provision.

Mr. Wilkinson, the attorney for the tribal group, has testified that they were under compulsion and pressure from their members because of the $250 per capita payment, which is certainly a commentary that needs no amplification by me. The fact is that this act was sweetened by this per capita. I just would not think of putting anything out of this committee as long as I have anything to say about it, for example, which would put any group of Indians under pressure by sweetening with a certain per capita payment. Then there is the fact that the Indian Bureau certainly permitted the President to sign it, because we know the President, no matter who is President, cannot be familiar with all of the details of the bill dealing with an Indian reservation 3,000 miles from the capital.

I do not blame the President, but I blame the Department which was advising him on it.

Mr. LEE. As Mr. Wilkinson has indicated earlier, and it is also my recollection, there were questions raised about this provision after the House took action. The people of Oregon certainly knew about this well before the thing was passed by the Senate and a substantial time before it was approved by the President.

As near as I know, there were no registered protests from the State of Oregon, and this was well known in the State of Oregon.

Senator NEUBERGER. How do you expect people in the State of Oregon to know every detail of the long, involved, complicated bill like this, that was amended at the last minute? I was a citizen of Oregon then; I was a member of the State senate, and I think I was

better informed than the average person; and, to my knowledge, there was no discussion or perhaps little discussion in the press or from the pulpit or civic forces or anything else with regard to how this bill had been changed.

I was in the State of Oregon at the time, and I do not think the people involved in this in the State of Oregon realized what was involved until many months after this had become law. I think the daily and weekly press would support that statement with me.

Mr. LEE. There was very little interest shown in the State of Oregon, but it was not because they were not warned or did not know about it before the President or the Senate took action.

Senator NEUBERGER. The former Secretary of the Interior was a Governor of Oregon. It was on his advice that the President signed the bill, so he knew about it.

I have no other questions unless Mr. Gamble and Mr. Coburn have.

Mr. Wilkinson, Mr. Jackson, Messrs. Kirk, we are very pleased that you have been here with us. We are grateful for your information, testimony, and interest.

Mr. WILKINSON. I have furnished the supplemental statement which I would like to have included in the record. It relates to hunting and fishing rights.

Senator NEUBERGER. Inasmuch as you are giving us a statement on hunting and fishing rights, we have a letter dated February 5, signed by Hatfield Chilson, Acting Secretary of Interior, which I requested the Department furnish us on this subject. The American Law Division of the Library of Congress, under date of February 10, 1957, has compiled a study of hunting and fishing rights of Klamath Indians of Oregon, and I believe all of the statements should be inserted in the record at this point.

(The material referred to follows:)

STATEMENT ON HUNTING AND FISHING BY GLEN A. WILKINSON

There has been considerable discussion and possibly some confusion respecting hunting, trapping, and fishing rights owned by the members of the Klamath Tribe. This is an attempt to clarify the status.

Subsection 14 (b) of Public Law 587 reads:

"(b) Nothing in this Act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty."

Under article I of the treaty of 1864 between the Klamath Tribe and the United States, the Indians comprising the Klamath and related tribes reserved "the exclusive right of taking fish in the streams and lakes, included in said reservation, and of gathering edible roots, seeds, and berries within its limits, * * *"

Following the adoption of Public Law 280, 83d Congress, which transferred to certain States, including Oregon, jurisdiction over civil and criminal matters arising on Indian reservations, the Department of the Interior took the view that the State of Oregon could enforce against, for instance, subsistence hunters among the Indians on the Klamath Reservation the same limitations of season, species, sex, and bag limit which it enforces against sports hunters elsewhere in the State. While Public Law 280, 83d Congress, purported to save to the tribes treaty rights of hunting, fishing, and trapping, the Department took the view that hunting and trapping were not treaty rights of the Klamaths within their treaty reservation since the treaty mentioned only fishing. This assertion of the Department followed not only Public Law 280, 83d Congress, but the adoption of Public Law 587 as well.

Not being content with this interpretation, the Klamath Tribe, in conjunction with the Umatilla Tribe, directed its tribal attorneys to seek a court adjudication that the treaty of 1864 impliedly reserved exclusive hunting and trapping rights in addition to exclusive fishing rights. By a ruling issued March 13, 1956, to

which both the United States and the law enforcement authorities of the State of Oregon were parties, the United States District Court for the District of Oregon ruled that the Klamath Tribe and the members thereof have an exclusive right, privilege, or immunity under the treaty of 1864 to hunt and trap upon the Klamath Indian Reservation and without restriction or control, except such restriction or control as they may impose upon themselves (*Klamath et al.* v. *Maison*, 139 F. Supp. 634).

Most certainly, if the United States acquires the Klamath Reservation and does not allow the tribe to reserve exclusive hunting, trapping, and fishing rights guaranteed to it, its members and descendants, just compensation must be paid for the loss of those rights, rights which are as valuable as timber or minerals. Likewise, the appraisal undertaken by Western Timber Services should include items covering such property rights unless, of course, it is assumed that Public Law 587 leaves such rights undisturbed.

The court adjudication mentioned above followed the enactment of Public Law 587. Assuming, as we understand it, that Congress intended to reserve to the tribe and its members all treaty rights, we believe that the language in subsection 14 (b) of Public Law 587 should be clarified. On that assumption, we recommend that the section be amended to read as follows:

"(b) Nothing in this Act shall abrogate any hunting, trapping or fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty."

If Federal purchase is adopted, we see no difficulty in leaving this right unrestricted; nor do we see any reason why the fair market value to be paid by the United States should be affected. It is possible that the amount paid under a program of purchase by private interests might be affected to a small extent.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., February 5, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: During the February 4 hearings on S. 2047 and S. 3051 you asked Mr. Sigler to furnish a statement about the hunting and fishing rights of the Klamath Indians under the two pending bills.

1. The treaty of October 14, 1864 (16 Stat. 707), provided that "the exclusive right of taking fish in the streams and lakes, included in said reservation, and of gathering edible roots, seeds, and berries within its limits, is hereby secured to the Indians aforesaid."

2. This treaty provision has been construed to apply to hunting, as well as to fishing (*Klamath and Modoc Tribes et al.* v. *Maison*, 139 F. Supp. 634 (1956)).

3. The treaty provision applied to the entire area originally set aside as a residence for the Indians. Since then, however, a portion of the reservation has been allotted to individual Indians, and some of the allotments have passed out of Indian ownership. It is doubtful that the treaty right of all members of the tribe to hunt and fish on the reservation applies to lands allotted to others or to alienated parts of the reservation. The treaty probably gives to each member of the tribe the right to hunt and fish on land owned by the tribe and on land allotted to him individually, but not to hunt and fish on such land after it has been alienated by the tribe or the allottee.

4. The Termination Act provides in section 14 (b) that "Nothing in this Act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty." One of the things the act does is to provide for the sale of sufficient tribal land to pay the withdrawing members. It is possible to contend that such sales will not deprive the members of the tribe of the right to hunt and fish on the tribal lands that are sold. The contention would be based on the argument that Congress can preserve the rights of the Indians in their lands after they are sold, if it wishes to do so, and that section 14 (b) has this effect.

5. We think that the sounder interpretation, however, is that section 14 (b) does not enlarge the treaty rights in any way, and that under the terms of the treaty an individual Indian has no hunting and fishing rights on lands allotted to another Indian, or on his own allotment after it is sold, or on any unallotted tribal land after it is sold. We believe that is the way the treaty would have

been construed prior to the enactment of the Termination Act, and that section 14 (b) of he Termination Act was not intended to change the treaty right in any way.

6. The reaty right applies only to members of the tribe, and inasmuch as the membership roll is closed the right will lapse with the death of the last enrolled member.

7. Inasmuch as the interpretation of the original treaty provision and section 14 (b) of the Termination Act may become the subject of a dispute, your committee may wish to include in any report that is made on S. 2047 or S. 3051 a statement regarding the committee's interpretation of the language and its reasons for recommending or failing to recommend any change.

Sincerely yours,

HATFIELD CHILSON,
Acting Secretary of the Interior.

HUNTING AND FISHING RIGHTS OF KLAMATH INDIANS OF OREGON

(By Mollie Z. Margolin, American Law Division, the Library of Congress)

FISHING

Treaty of 1864

The treaty between the United States and the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, concluded October 14, 1864, provided that "the exclusive right of taking fish in the streams and lakes, included in said [Klamath] reservation [in Oregon], and of gathering edible roots, seeds, and berries within its limits, is hereby secured to the Indians aforesaid * * *" (art. I, 16 Stat. 707, 708).

Treaty of 1901

The treaty entered into on June 17, 1901, and approved by Congress on June 21, 1906, under which the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians ceded to the United States, for a consideration, certain land in correction of an erroneous survey which had been made of the boundaries of the Klamath Reservation, contained the following article:

"Article IV. It is understood that nothing in this agreement shall be construed to deprive the said Klamath and other Indians of the Klamath Agency of any benefits to which they are entitled under existing treaties, not inconsistent with the provisions of this agreement" (34 Stat. 368).

HUNTING

Revised Statutes 2145

Section 2145 of the Revised Statutes (25 U. S. C. 216) provides: "Every person, other than an Indian, who, within the limits of any tribe with whom the United States has existing treaties, hunts or traps, or takes and destroys any peltries or game, except for subsistence in the Indian country, shall forfeit all the traps, guns, and ammunition in his possession used or procured to be used for that purpose, and all peltries so taken; and shall be liable in addition to a penalty of $500."

This section was derived from section 8 of the act of June 30, 1834 (4 Stat. 730, ch. 161), entitled "An act to regulate trade and intercourse with the Indian tribes, and to preserve peace on the frontiers" and was interpreted to mean that an Indian has the right to hunt within the limits of the reservation of his tribe and that even land which has been allotted in severalty but on which there is a trust held by the United States for the benefit of an Indian, will be considered "Indian" land for the purpose of the hunting rights of members of that tribe (*State* v. *Jackson*, 1944, 218 Minn. 429; 16 N. W. (2d) 752; rehearing denied, 16 N. W. (2d) 757).

As in the case of the Klamath treaty of 1864, the treaty involved in *State* v. *Jackson* (supra, p. 755 [6]), contained no express reservation by the Indians of the right to hunt upon their reservation. Concerning this, the Court stated: "* * * But such saving clause would have been superfluous, as 'the treaty was not a grant of rights to the Indians, but a grant of rights from them—a reservation of those not granted.' The ancient and immemorial right to hunt and fish, which was 'not much less necessary to the existence of the Indians than

AMENDMENTS TO THE KLAMATH TERMINATION ACT OF 1954

TUESDAY, FEBRUARY 11, 1958

UNITED STATES SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to call, at 3 p. m., in room 224 of the Senate Office Building, Senator Richard L. Neuberger (chairman of the subcommittee) presiding.

Present: Senator Neuberger.

Present also: Hon. Al Ullman, Representative, Second Congressional District of Oregon; William H. Coburn, special counsel; James H. Gamble, professional staff member; Robert Wolf, forestry consultant, Subcommittee on Indian Affairs; and N. D. McSherry, assistant chief clerk.

Senator NEUBERGER. The subcommittee will be in order.

I would like to state for the record that this additional phase of the hearings on S. 2047 and on S. 3051 was called for the purpose of hearing the views and information and testimony of Mr. C. Robert Mathis. Mr. Mathis is a member of the legal firm of Davies, Richberg, Tydings, Landa & Duff, of 1000 Vermont Avenue NW., Washington, D. C.

On February 6, 1958, the subcommittee on Indian Affairs of the Interior Committee received from Mr. Mathis a letter which as I understand is already in the record. I will just incorporate it by reference again.

I should like to say that the key paragraph in the letter from Mr. Mathis, which occasioned this additional hearing, is the following, and I will quote it in full.

> We represent a client who for some time has been and still is very much interested in purchasing the entire Klamath Forest, and all Klamath tribal lands for a cash consideration.

Because of the great responsibility which the subcommittee has regarding the future destiny of the Klamath Indian Reservation and its valuable resources and of our obligation to see that a fair and adequate settlement is made with the members of the Klamath Indian Tribe, it seemed to me that this hearing record would not be complete unless we obtained from Mr. Mathis all possible information and facts about the representation contained in his letter to us of February 6.

With that brief introduction, Mr. Mathis, we shall be pleased to hear from you, sir.

STATEMENT OF C. ROBERT MATHIS, OF DAVIES, RICHBERG, TYDINGS, LANDA & DUFF, WASHINGTON, D. C.

Mr. MATHIS. Mr. Chairman, thank you.

After the letter of February 6, which was addressed to the chairman of this committee, I addressed a letter to the Honorable Hatfield Chilson, the Under Secretary of the Interior, dated February 7, 1958, and enclosed a copy of my letter to you.

At this time I should like to offer a copy of my letter to Under Secretary Chilson, and read it if I may.

MY DEAR MR. CHILSON: We enclose herewith for your information copy of letter which we have delivered today to Senator Neuberger, chairman of the Indian Affairs Subcommittee of the Senate Committee on Interior and Insular Affairs.

We would have preferred to have discussed this matter with you before you appeared before the committee as a witness, but did not do so because we had no information that you planned to testify on these bills. We would also like to have discussed the subject of the letter with you before delivering it to Senator Neuberger, but we are informed that the hearings will probably be closed today and we were anxious to have the information contained in our letter incorporated in the record of the proceeding.

Before dispatching this letter to Senator Neuberger, we discussed the subject of it with our client; and he presently is interested in purchasing the Klamath properties in a cash transaction provided that they can be obtained at a fair market value without encumbrances by conveyance which may be unacceptable to him.

This potential purchaser would be interested in managing the property on a sustained-yield basis, but would not desire to be limited by Government regulations or forfeiture conditions such as those set forth in the subject legislation. It is difficult to perceive that any purchaser would be willing to buy the property under the conditions as set forth in section 28b of H. R. 10375 or similar provisions.

We would appreciate it very much if you will communicate with Senator Neuberger, informing him of our discussions with you during the middle of 1957, so that the record will be complete. If you elect to write to Senator Neuberger, will you please send a copy to the undersigned.

Sincerely,

DAVIES, RICHBERG, TYDINGS, LANDA & DUFF,
By C. ROBERT MATHIS.

Senator NEUBERGER. Please proceed, Mr. Mathis.

Mr. MATHIS. For some time we have represented a client who has indicated a definite and strong interest in the purchase of the timberlands that are owned or designated as the Klamath Indian Reservation.

Before writing this letter to you, Mr. Chairman, I cleared its contents with our client so that I would be sure of where I stood on the statements that I made in there.

He approved my filing the letter with the committee.

At the present time he is not in a position to enter a bid under the Public Act because the land has not been offered for sale, and no appraisal or cruise of the timber has been made available to the public.

I do not know how we would go about getting that information. We would like the committee, if it can, to use its efforts to make such information available to prospective purchasers.

Recently a notice was published, a copy of which perhaps is in your record, indicating that these lands would soon be up for sale.

Pursuant to that, I requested that my name be placed on the list of those who would receive information regarding this sale. The notice was dated January 20, 1958, Klamath Falls, Oreg., over the name of T. B. Watters. Whether or not we have to go to Klamath

Falls to obtain information regarding the appraisal or not, I do not know. We have been waiting since last May to get that information or to have it available to us so that we could spot check and do our own cruising and appraisal of the property to see whether or not we are then in the position to make a bid on the property.

Is a copy of this notice in the record?

Mr. GAMBLE. A copy has already been placed in the record.

Senator NEUBERGER. That is a notice of sale put out by the Management Specialists.

That is in the record.

Mr. MATHIS. Mr. Chairman, I have not studied this bill in specific detail, perhaps as one might, but in going over the bill and reading it, I find several things in there that I think would make it extremely difficult or preclude, perhaps, the possibility of private purchasers making bids on this land.

Mr. COBURN. You are now referring to S. 3051?

Mr. MATHIS. Yes, S. 3051.

If you like, I should like to point out those things.

Senator NEUBERGER. We would be pleased to receive your views.

Mr. MATHIS. The people whom we represent would be interested in bidding on these lands and agree to operate them or manage the lands on a sustained yield basis. But I say very frankly that I do not believe that we would undertake such an obligation subject to rules and regulations to be laid down by the Secretary of the Interior, the Secretary of Agriculture, or any Government agency.

They would submit a plan under which they would operate these lands and live up to that plan. But to have those rules and regulations changed from time to time, as we know our Government does, would, I think, preclude the possibility of their bidding.

Senator NEUBERGER. There would have to be some enforcement, however, of the covenant. You realize that.

Mr. MATHIS. I realize that. I think some enforcement of the covenant would be called for.

Senator NEUBERGER. And it would have to be done by some governmental agency experienced in timber management. I am sure you realize that.

Mr. MATHIS. I realize that, sir; yes, sir. But the personnel and the opinion of the people who would enforce that would change from time to time.

There are very successful sustained yield managements of large timber properties throughout the entire United States by many successful corporations.

The rules and regulations by which they operate on sustained yield tree plantations, I am sure, are dictated by the best business principles. They would be willing to undertake to operate this property based on such principles, but not on Government regulations.

Senator NEUBERGER. Just 1 minute, Mr. Mathis. I just noticed, and I had not noticed earlier, and I hope you will forgive me, that Congressman Ullman is in the hearing room. I would be very pleased if he would come up and join us at the committee table and participate as he sees fit.

Congressman Ullman, Mr. Mathis—I do not know whether you have met. Congressman Ullman is the author and sponsor of H. R. 9737 which is a somewhat similar bill in the House of Representatives

to the one that I am sponsoring for Senator Morse and myself in the Senate.

Please forgive me for interrupting.

Mr. MATHIS. I think what I have to say with reference to S. 3051 would apply almost verbatim to H. R. 10375.

The forfeiture provision in this bill which is subject to the decision of the Secretary of Agriculture would constitute grounds for a forfeiture of the lands. I think this is particularly undesirable. It is a rather peculiar situation, too, where you would pay the Indians for the land, and then at the forfeiture the lands would go to the Government.

I cannot quite conceive of the equity and justice in that.

Relating back again to the terms of the bill which require a proposed purchaser to operate under rules and regulations laid down by the Government, I think this forfeiture provision would preclude private interests from bidding on the land.

I might say also that these two restrictions in this bill would seriously and adversely affect the necessary financing in order to pay cash in a transaction of this size. I think it would make it almost impossible to obtain financial assistance in buying these lands.

That is not just my opinion; it is common sense too, that if you put those restrictions in there, the banks and financial interests would not go along with the financing.

I do not think the 75-year provision for sustained-yield basis is bad. I think that is all right. I do not think that you would find that private industry would object to the 75 years, provided they were permitted to operate the lands on the same managed sustained-yield basis that they are presently generally operated on throughout the country.

As I stated, I have not studied this bill carefully and perhaps could give you more on it, but I think that constitutes the substance of my position in speaking on behalf of the parties I represent that are interested.

Under this bill, I do not think they would enter a bid. I am speaking of S. 3051 and H. R. 10375.

Senator NEUBERGER. May I ask you a few questions?

Mr. MATHIS. Yes, sir.

Senator NEUBERGER. Do you feel free to disclose the name of the principal or principals for whom you are speaking?

Mr. MATHIS. No, Mr. Chairman; I do not. For obvious business reasons, I do not wish to disclose their names at this time. It might adversely affect them.

Senator NEUBERGER. Are you speaking for one corporate entity or for a number, may I ask that?

Mr. MATHIS. At the moment I am speaking for one corporate entity, but I am confident that the officer with whom I discussed this subject plans to have perhaps a new corporation organized which would bring in other capital and other individuals or other companies.

Senator NEUBERGER. Are they now in the forest products industry?

Mr. MATHIS. Yes, sir; they are, in a very substantial way.

Senator NEUBERGER. Do they operate in the Pacific Northwest?

Mr. MATHIS. Sir, I am afraid to give you any more information. It might disclose the identity of my people.

Senator NEUBERGER. I noticed in the letter which you wrote on February 7 to Secretary Chilson, you said:

We would appreciate it very much if you will communicate with Senator Neuberger, informing him of our discussions with you during the middle of 1957, so that the record will be complete. If you elect to write to Senator Neuberger, will you please send a copy to the undersigned.

That is the end of that quotation from your letter of February 7.

Did you have a discussion with Mr. Chilson on this matter in 1957?

Mr. MATHIS. Yes, I did. The appointment was made for me. I went directly to his office. I am confident that we discussed it for between an hour and 2 hours.

Senator NEUBERGER. Between an hour and 2 hours?

Mr. MATHIS. Considerably; in detail.

Before I left Mr. Chilson's office, I would stand corrected on this, but I am quite confident. I left my card with him. I know I gave him my name and address. I told him my office was in Washington; that if at any time he wished to communicate with me regarding this matter, I would be available.

I have heard nothing from him.

Senator NEUBERGER. You have heard nothing from him?

Mr. MATHIS. I have not received a copy of any letter that he might have written to the committee.

I had one party attempt to reach him since I wrote the letter, but he was unable to get him.

I have not tried myself.

Senator NEUBERGER. May I ask you this question? Did you disclose to Secretary Chilson the name and identity of your principal?

Mr. MATHIS. No, sir; I did not. I told him it was for obvious reasons. He did not ask me in the first place, and I felt prompted to tell him that for obvious reasons I could not disclose the name, and asked him if he felt that he should have the name of the individuals. He said, "No"; that my statement and representations to him were sufficient, at least for the time being. The name would be disclosed if and when the parties entered a bid on the property.

Senator NEUBERGER. On February 3, 1958, Secretary Chilson appeared before this subcommittee. I asked him how it happened that the Department of Interior had somewhat changed their views regarding the purchase of this reservation from that of January 1957.

I asked these questions. I would just like to read several of them to you.

Senator NEUBERGER. In other words, you changed your mind from this statement that I read of January 1957 because you had had some indications that private industry might buy this forest at the price set in the appraisal?

Now, let me ask: Did those indications come from the lumber industry as a whole, various segments of the lumber industry? Where were those indications received from?

Mr. CHILSON. They were quite nebulous, Mr. Chairman, and I cannot name any particular names, of persons or industries, who came out flatfooted and said that they would be interested.

I had some telephone conversations with a member of a law firm in New York City, I have forgotten the man's name, who told me over the telephone that he had a group who were interested in buying under those conditions.

Senator NEUBERGER. By those conditions, you mean?

Mr. CHILSON. Sustained yield management and to pay the appraised price. He set up two appointments with me, neither one of which he kept. He phoned each time saying he was unable to come, and then he called me later and said his group was not interested.

In talking with some foresters and some lumber representatives, also in discussing the previous experiences with timber sales in general, where we had some surprising bids on timber, much higher than anybody had estimated they would be, putting all those together we thought that it justified at least the offering of the timber to the industry under these terms.

I tried to admit frankly, Mr. Chairman, that there is quite a question whether industry will buy any substantial portion, or any of this timber under these conditions. We do not know.

The thing that does strike me, however, is this: Somewhere along the way the industry has done exactly this: they have acquired timberlands. I assume they had to pay what was then the market price. They have managed them under sustained yield management principles.

I might say this, too—and this is purely a private opinion—looking back over what has happened to the value of timber over the past many years, there has been a great increase in the value. With the increasing population and with the amount of timber remaining pretty well static, you might say—I cannot conceive but that at some time in the future and maybe not too far distant future—the value of these timberlands is going to be much more than it is today.

That is one reason that I had no particular difficulty, Mr. Chairman, in the financial end of this thing.

If the Federal Government is the one that acquires these lands and pays the price, I am satisfied that in the long run the Federal Government is going to have a good deal.

That is the end of Secretary Chilson's comments at that particular point. After that I resumed questioning. The thing that I wanted to ask you, in fairness to him, is this: Were you the gentleman referred to where he said:

He set up two appointments with me, neither one of which he kept. He phoned each time saying he was unable to come, and then he called me later and said his group was not interested.

Were you the one to whom he has reference there?

Mr. MATHIS. Those remarks could not have reference to me, Senator. I had only one appointment. I kept that appointment. My office is here in Washington.

Senator NEUBERGER. Did you talk with the Secretary for some 2 hours about this?

Mr. MATHIS. Over an hour, at least; over an hour, I am confident.

Senator NEUBERGER. Did you have any idea as to why he did not make reference to his conversation with you in answer to my question?

Mr. MATHIS. Well, Senator, I have searched my mind and memory since the substance of Mr. Chilson's testimony first came to my attention. I have no idea that I can put my finger on, so to speak, as to why he did not recall my meeting with him. He might have confused me with being from New York instead of being from Washington.

On the other hand, I did not break any appointments with him.

Senator NEUBERGER. Mr. Coburn, do you have any questions?

Mr. COBURN. I would like to pursue the matter of that meeting with Mr. Chilson.

Mr. Mathis, who was present at this meeting with Mr. Chilson?

Mr. MATHIS. There was present with me, and he made the appointment for me, a gentleman by the name of Albert A. Grorud. He is here in the room, I believe.

Mr. COBURN. Who was present representing the Department with Mr. Chilson at that time?

Mr. MATHIS. There was no one but Mr. Chilson representing the Department.

Mr. COBURN. You say in your letter:

Perhaps Mr. Chilson may have overlooked or not remembered our meeting and the information we gave him regarding a potential purchaser.

What information did you give Mr. Chilson regarding this potential customer?

Mr. MATHIS. The principal information that I gave Mr. Chilson during our meeting was that we represented a client who had a definite interest in purchasing the land; that there were many complications in figuring out a bid for such a purchase; that we would want to get a copy of an appraisal or a cruise of the timber by reputable people; and that we would want, then, to spotcheck and cruise ourselves to see that the appraisal was correct.

I told him that my people were operating timber lands now on a sustained-yield basis, and they would be willing to bid on these and operate these lands on that basis if they were the successful bidder.

We discussed at length the manner in which a covenant could be contained in the conveyance instruments that would bind the bidder to operate these lands on a sustained-yield basis.

Mr. Chilson being a lawyer, I told him that in my opinion, although I had not studied the property law involved, I was convinced that such a restrictive covenant could be placed in the conveyance which would be binding on the parties. I stand corrected if the lawyers have a different opinion, but I was under the impression that could be done.

I suggested also, I believe at that time, that it could be done perhaps by separate instrument in the nature of a contract with a forfeiture clause or something of that kind.

The discussion, you might say, was a two-way discussion. We discussed various other angles of the lands.

I told him that my people would not, I believe, be interested in bidding on the lands, if they were going to be offered in small parcels like 180, which was the figure you had in mind at that time.

You might find yourself with parcels scattered over there like shots on a target, if you attempted to buy so many small parcels and to operate them.

I suggested that if the land was sold, it should be sold in larger parcels, so that maybe 4 or 5 purchasers could come in and buy parts of it.

My people might not want to buy all of it. They might want to bid on a half of it for example.

Other than that, I cannot recall much detail except that it was a general discussion of the entire situation.

Mr. COBURN. Did Mr. Chilson inquire into the financial resources of the group which you represent?

Mr. MATHIS. He asked me if they were able to do this, and I told him I was confident that they were of sufficient financial responsibility, that they could carry out any undertaking that they would make a commitment on. I am confident of that.

Mr. COBURN. Inasmuch as you were an agent for an undisclosed principal, he did not ask you for any credit references?

Mr. MATHIS. None whatsoever. He said he was willing to accept my representation that they were financially responsible.

Senator NEUBERGER. Was any potential specific sum referred to as the possible value of the timber in question?

Mr. MATHIS. No, Mr. Chairman, it was not. I did not have a copy of any appraisal. My people had never looked at the lands. Accordingly, the question of price did not come up.

Senator NEUBERGER. I want to reiterate one question I asked earlier: Was anybody with Mr. Chilson from the Indian Bureau, either officials of the Indian Bureau or technical foresters of the Bureau of Indian Affairs?

Mr. MATHIS. No, there was not, Senator. The only other party I saw in the Department of the Interior was Secretary Chilson's secretary when we waited in the outer room. We went in his office and sat there and talked to him and then left.

Senator NEUBERGER. Nobody else was present during your discussion with him?

Mr. MATHIS. Just one moment, and let me check that.

Mr. Grorud, do you remember anyone else being there?

Senator NEUBERGER. Will you identify yourself?

Mr. GRORUD. My name is Albert A. Grorud.

Mr. MATHIS. I thought I had better check with Mr. Grorud.

Senator NEUBERGER. And Mr. Grorud, your position or title and association.

Mr. MATHIS. Mr. Grorud is a lawyer. He is retired.

Senator NEUBERGER. Mr. Gamble tells me that you were his predecessor. You will forgive me for any ignorance of your identity.

Mr. GRORUD. I was with the committee for 28 years.

Senator NEUBERGER. I am comparatively new here. Thank you very much.

The thing that at the moment puzzles me, Mr. Mathis, and I am very candid about it, is that Secretary Chilson did not reveal to this committe what was undoubtedly a rather prolonged discussion with you. I asked him about any indications that he had had from the lumber industry as a whole or from various segments of the lumber industry as to any interest in the possible purchase of this timber.

I am puzzled by the fact that he did not make any mention of it.

I have always had a very favorable impression of Mr. Chilson as being a very open and candid and frank individual in all my relationships with him. I am just curious now, as to why he did not tell the subcommittee for the record about his conversation with you on that matter.

Mr. MATHIS. Senator, I am curious about that, too.

I want to be entirely fair to Mr. Chilson. I do not wish to impugn his integrity, his honesty, or lack of frankness with this committee. I feel that he may have overlooked it. He is a very busy man. He may have overlooked it, or he may have forgotten it for the time being.

This, I believe, was in July of August of last year.

The only explanation I have for it is that he may have confused me with the New York lawyer or he may have overlooked it at the time he testified.

I am sure that he will remember it, at least when he checks his appointment register. He will find I was there.

Senator NEUBERGER. That is entirely possible. I want to repeat what you said, there is no desire to impugn the integrity or honesty of Mr. Chilson in any way. As I say, I am favorably impressed with any relationships I have had with him. I was just curious that he had not mentioned his conversation with you.

I want to ask you this: When you did speak with Secretary Chilson, did he outline to you any of the potential provisions in S. 3051 at that time?

You will remember when you visited him last summer—you said in July of 1957—that S. 3051 had not then been introduced or had not been presented by the Department. We only received it in January of this year.

Did the Secretary outline to you the potential provisions of S. 3051?

Mr. MATHIS. No, Mr. Chairman. In fact, the only time I saw or had any information about S. 3051 was, I think, the day of our first hearing on that bill here.

I received a copy of a letter which was from, I believe, Secretary Seaton to the Vice President.

Senator NEUBERGER. As the President of the Senate, it was sent to him.

Mr. MATHIS. That is right. He attached a copy of a proposed bill to the letter.

Very frankly, when I read that letter and I read the proposed bill, I thought, well, this is quite a reversal of the provision from my discussion with Mr. Chilson in July or August of last year.

Senator NEUBERGER. By that, you mean that the Secretary gave you to think that the Department would make a substantially different proposal than that contained in S. 3051?

Mr. MATHIS. Yes, sir. I had no idea of the forfeiture provisions. I had no idea that they would undertake to introduce a new bill in the first place.

I thought they were trying to sell the lands under existing public law and trying to get out of the land business, so far as the Klamath Indian Reservation was concerned, by 1960, as presently provided.

Senator NEUBERGER. In other words, you had the impression from the Secretary that they were going to allow the existing Termination Act to run its course.

Mr. MATHIS. I had no contrary impression.

Senator NEUBERGER. It is that act which calls for a completion of the termination proceedings by August 13, 1960. You say you had no contrary impression at that time.

Mr. MATHIS. That is correct. I had no inkling that a new bill was going to be proposed in this session, or that there was any change in thinking. I thought they would make disposition under that act.

I do recall that Secretary Chilson said they would be quite surprised if they were able to close this out by August 13, 1960. It was such a large and complicated thing, it would be very difficult to perform their duties by the termination date.

Senator NEUBERGER. Let me ask you this: I want to go back over one thing. Did you discuss with him the possibility of sustained-yield operation of this forest?

Mr. MATHIS. Very definitely.

Senator NEUBERGER. The reason I asked the question is that under Public Law 587 there is absolutely no mention of sustained-yield operation of the forest.

Mr. MATHIS. That is correct.

Senator NEUBERGER. So in what frame of reference and in what context did you discuss with him sustained-yield operation, when, under the existing statute, there is no sustained-yield provision?

Mr. MATHIS. My people presently operate or manage susbstantial timberlands. They are all operated under a sustained-yield basis.

When my client and I first discussed this, I told him I was confident that this would be an attractive feature if it were included in a bid to the Secretary of the Interior that they would operate these lands or manage them on a sustained-yield basis if they were the successful bidder.

He said they would not think of buying them under any other condition, because they did not want to denude the land. It would not be profitable to operate them any other way except on a sustained-yield basis.

So I raised this subject myself.

The Secretary said, "Yes," they wanted the lands to be conducted on that basis, but they did not know how, under the existing legislation, they could require it.

Senator NEUBERGER. In other words, you gave the Secretary to think that if your principals purchased the timberland, they would operate them on a sustained-yield basis, voluntarily, without any legal compulsion to do so?

Mr. MATHIS. That is right; by agreement in their bid, if they were the successful purchaser, to do that.

I told him two other things at the same time; that if a purchaser were compelled to buy the swampland and some other desirable land, that I thought my client would be willing to dedicate back to the Indians for use as a reservation and fishing lands and things of that kind, those lands. I think they would have.

I would not have recommended that they buy those lands, to be practical about it.

Senator NEUBERGER. The further thing I would like to ask you about is this: Since your meeting with the Secretary, the total amount of the appraisal made by the Western Timber Services has come out at around $121 million or $122 million, with the pine timber forest valued at around $118 million, in round figures.

Have you had enough discussion with your principals to know whether they would regard that as a feasible sum, a reasonable sum, or an unreasonable sum?

Mr. MATHIS. Frankly, Mr. Chairman, I have not.

Since we have not available any appraisals on the land, and I understand two have been made, we have not known what figures the appraisers had in mind or the basis on which those appraisals were made.

In the earlier part of my testimony I referred to that. I said I hoped that this committee could do something to speed up our getting that information so we would know what we were talking about, because we have no information except what has been in public hearings, for example, some of the hearings last year. I think I have a copy of one of them here.

There were hearings on S. 2047 during the first session, held on October 2 and 4, 1957.

Senator NEUBERGER. Those were the hearings held in the State of Oregon. I am quite certain.

Mr. MATHIS. I do not recall now. I have not looked at it recently.

Senator NEUBERGER. I presided at the hearings and they were held at Klamath Falls and Portland.

Mr. MATHIS. Some of the witnesses appear to be from Klamath Falls.

Senator NEUBERGER. Have you talked to any members of the Klamath Indian Tribe about the interest of your principals in this forest?

Mr. MATHIS. Rather briefly. I talked to Mr. Wade Crawford and to Mrs. Crawford a time or two about it. They kept me posted a little bit on what was going on out there.

For example, I do not know how I would have ever gotten a copy of the notice that I refer to in my earlier testimony if Mr. Crawford had not sent me a copy.

I asked to have my name put on the list.

That is about as much as I have discussed with Mr. Crawford. I know his views on the subject, but that is all.

Senator NEUBERGER. Do you represent Mr. Crawford in any legal way?

Mr. MATHIS. Not at all. I never have.

Senator NEUBERGER. Several times in his testimony before the subcommittee, and again this is just subject to my memory, Mr. Crawford has mentioned that he has known of some operators who might be potential buyers of this timber.

Do you think he might have had reference to the principal whom you represent?

Mr. MATHIS. He could well have because I told him that we represented substantial principals who were interested if the terms and conditions could be arranged.

Senator NEUBERGER. That is certainly logical and reasonable.

Mr. Coburn, do you have any questions?

Mr. COBURN. Yes, I have quite a few.

Senator NEUBERGER. Go ahead.

Mr. COBURN. I would like to get back to your meeting with Mr. Chilson, Mr. Mathis.

As a result of your conference, were there any conclusions reached by you and the Secretary?

Mr. MATHIS. That is a difficult question, Mr. Coburn. I think I can answer it in this way: I concluded that the lands were probably going to be sold under the exiting law, and that there would be about 175 or 180 small parcels that would be sold.

The Secretary was quite concerned that there was no restriction in that act that would prevent the complete cutting of all timber on all parcels as they were sold. He was quite worried about the economic situation that may result in the Northwest by having the market flooded with all this timber at one time.

Mr. COBURN. At that point did he ask you about sustained yield and management?

Mr. MATHIS. That raised the sustained yield proposition. I am sure we had already discussed it. He did not want that timber to be sold all at one time so it would glut the market, and so that the land would be denuded, which is quite understandable.

Mr. COBURN. As I understand your previous testimony, he did leave the impression with you that he thought the terms of Public Law

587 would have to be carried out within the time limitations set in the act?

Mr. MATHIS. That is correct.

Mr. COBURN. Did you get the impression that he was entertaining whatever suggestions or offers that you made to him, seriously?

Mr. MATHIS. Very definitely. I did not think I was wasting my time at all to talk to the Secretary of the Interior or the Under Secretary.

Mr. COBURN. Which one are you talking about? You are talking about Mr. Chilson, are you not?

Mr. MATHIS. I meant the Under Secretary when I said "Secretary of the Interior."

Mr. COBURN. Did you make what could be considered a firm offer?

Mr. MATHIS. No, sir; I did not.

I will be frank, I am not making one now.

Mr. COBURN. But you did not at that time?

Mr. MATHIS. No, sir, I did not. I told him my people would bid if they could get an appraisal. I was told that the appraisal was being made and being completed and would be made available at an early date.

I understand it is not yet available to the public. That is the appraisal that was due to be completed, I believe, in March or April or early 1957.

Mr. COBURN. Since your conference with Mr. Chilson, have you had an occasion to discuss your proposal with any other representatives of the Department?

Mr. MATHIS. I never discussed the substance of my conversation with Mr. Chilson or the Klamath Reservation with anyone else in the Department of the Interior.

Mr. COBURN. How about representatives of the Indians other than Mr. and Mrs. Crawford?

Mr. MATHIS. I believe they are the only Indians I know that are from the Klamath Tribe. I have not discussed it with any others. In fact, I discussed it very little with Mr. and Mrs. Crawford because they were only interested in the proposition that there was somebody who was interested in buying in a private sale.

Mr. COBURN. In your letter and in your testimony I believe you mentioned the problem of working out sustained yield agreements. You say something about other necessary factors that would have to be considered before your client would be interested in making a firm offer. Could you tell the subcommittee what those other factors are?

Mr. MATHIS. I am referring to the forfeiture clause in the bill itself.

Mr. COBURN. You are against that?

Mr. MATHIS. That is correct. I do not believe I would recommend it if my client should ask if he should purchase the land with that forfeiture clause in that bill.

If he asked me my opinion of that I would recommend he not purchase the property with the sustained yield requirements to be laid down and subject to rules and regulations of any Government department that would have authority to change those rules and regulations from time to time.

Mr. COBURN. Assuming you came to an agreement as to the terms of the sustained yield management plan, what would be the penalty for failure to abide by the plan?

I mean, what redress would the Government or the Indians have against the purchaser?

Mr. MATHIS. Frankly, Mr. Coburn, I have not gone that far in my thinking because my attitude was that if my people say they will agree to do a certain thing, they will do it.

Mr. COBURN. You would rely entirely on the fact that you have an agreement?

Mr. MATHIS. Absolutely.

Mr. COBURN. A contract is a contract?

Mr. MATHIS. Surely.

Mr. COBURN. That would be the end of it?

Mr. MATHIS. The penalty angle would not occur to me. I think that would occur to the party selling.

Mr. COBURN. Is your client interested in purchasing the marsh lands along with the timberlands?

Mr. MATHIS. I think not because I suggested to him that if it were all sold in one block, and he were required to purchase the marshlands, that it would make his bid more attractive to incorporate a statement in it or an agreement in it that he would rededicate those lands for the use of the Indians.

Mr. COBURN. If he had to purchase it?

Mr. MATHIS. If he had to purchase it.

Mr. COBURN. But he is not interested in purchasing it?

Mr. MATHIS. He is not interested in purchasing it.

Mr. COBURN. Would you have any objection to the land being acquired and used as a National Wild Life Refuge?

Mr. MATHIS. Let me correct my statement. I am not positive that he is not interested. I do not think he is. I feel confident that he would have no objection to those lands being used as a wild life refuge or game preserve.

Mr. COBURN. If your assumption that he does not want them is correct.

Mr. MATHIS. I think that is correct too.

Mr. COBURN. Would he be willing to grant the Federal Government a right of first refusal to any land that he saw fit to acquire and then sell?

Mr. MATHIS. I have not discussed that with him, Mr. Coburn.

Mr. COBURN. I assume that your client would probably want to cruise this timber himself before he came up with a firm offer.

Is that correct?

Mr. MATHIS. Yes, sir. When I called him last week to clear the letter that I wrote to the chairman of this committee he apparently misunderstood me in my opening conversation and thought that I was ready for him to send a cruising team out there to look the land over. I had to correct him. I said, "No, we are not ready for that. The land I do not believe is in such a position that you can enter a bid on it at this time."

Mr. COBURN. Are you in a position to say whether or not you would accept as a basis for negotiations the appraisal figures that are shortly to be submitted by the Western Timber Service, Inc.?

Mr. MATHIS. I prefer not to comment on that because I have not seen it.

Mr. COBURN. I believe you mentioned in your testimony that there were two appraisals made.

Mr. MATHIS. It is my understanding that 2 appraisals have been made in the past, or there have been 2 estimates on the timber. I think 1 was several years ago, and 1 was to be completed last year.

Mr. COBURN. Both by the Government or quasi-Government agencies?

Mr. MATHIS That is right, either by the Government or under Government supervision.

Mr. COBURN. Has your client given any thought to the question of the hunting and fishing rights of the Indians?

Mr. MATHIS. No, sir. Things like that that you are questioning me about now are the reason I put in my letter that agreement can be reached on other necessary factors. I might have said "other necessary and incidental factors," or things of that kind.

Mr. COBURN. You consider these incidental?

Mr. MATHIS. I consider these would be part of the details of the transaction.

You would have to consider each one. I would have to leave that up to the client. I have not discussed these things with them.

Mr. COBURN. Could you briefly summarize then for the record and for the subcommittee just what it is you are offering to do?

Mr. MATHIS. I do not believe Mr. Coburn that I am offering to do anything. I am stating for the record that I do have a client of financial substance who is able financially to undertake this transaction or to purchase all or a substantial part of the tribal lands and timber, provided that the restrictions and limitations placed upon it by statute in the invitations to bid are acceptable to him.

If he can buy this timber at a fair market value I think he would certainly put a bid in on it.

Mr. COBURN. You do not have any idea of what the fair market value is?

Mr. MATHIS. Frankly, I do not. I have not studied that angle. I would leave that entirely up to him. I am not a timber man.

Mr. COBURN. That is all I have.

The CHAIRMAN. Mr. Gamble.

Mr. GAMBLE. Mr. Mathis, in the letter which you sent to the Secretary on February the 6th, in the last paragraph, there appears this sentence:

> In any event, the purpose of this letter is to inform you that we still represent this party and that he is presently interested in purchasing the Klamath forest and tribal lands for cash provided that a fair value can be established and agreement can be reached on other necessary factors.

Does your principal, so far as you know, if given an opportunity to bid on a very substantial portion or all of this timberland, intend to pay cash so that all of these Indians will receive payment within a reasonable time, 30, 60 days, or something of that nature?

Mr. MATHIS. In discussing this transaction with my client it has been understood at all times that whatever bid he put in on all or part

of the lands that he would be required to pay cash, all cash with the transaction.

Senator NEUBERGER. By cash you mean there would be no holdback, that he would have to put up the full price at the time of purchase. Is that correct?

Mr. MATHIS. That is correct. We did not anticipate any installment purchase.

If the price was $100,000 and our bid was that and it was accepted, when we got the conveyance we would pay the $100,000.

Senator NEUBERGER. I want to ask you a couple of questions about this sustained yield matter. You said that your principal did not regard the enforcement clause as feasible or fair. If sustained yield were not practiced, by what means do you think that it should be enforced so that compliance would be assured?

Mr. MATHIS. Let me go back to the first part of your question, please.

I did not intend to quote my client directly on that because I have not discussed the details of this clause with him. I intended to say that I believe that he would not like that provision in the bill.

Senator NEUBERGER. And you, yourself, objected to the form of the clause in analyzing the legislation?

Mr. MATHIS. Yes.

Senator NEUBERGER. Inasmuch as you object to the forfeiture clause of the legislation that is before us, S. 3051, how would you favor that the sustained yield provision would be made operable and would be enforced in case they are in violation?

What compulsion, in other words, would there be on the operator to practice sustained yield?

Mr. MATHIS. As I answered a similar question to Mr. Coburn a moment ago, I have given very little thought to a forfeiture provision for not complying with the sustained yield operation, my thought being that in dealing with people of financial integrity, I did not feel that they needed a penalty clause to have them do what good business principles dictated they should do.

Their timberland is presently on a sustained yield basis, and I think most of the large timber ownerships operate on that basis now.

Senator NEUBERGER. Conditions might arise which might make hasty liquidation feasible and profitable under certain circumstances. You and I both recognize that. These things can occur. I am certainly openminded about this, and I felt that your objection to the forfeiture clause was certainly sincere on your part, but I just wonder how sustained yield would be enforced, if there were not some provision such as this.

Mr. MATHIS. I was more or less expressing a general objection to that provision in the bill. I had not given much thought to the penalty provision. Perhaps it could be enforced by injunction. The courts are available to enforce contractual agreements.

The forfeiture of the entire property by reason of the breach of one provision of the sustained yield covenant, let us say, is a rather severe and drastic penalty when it might have only affected a few acres. You might have required the forfeiture of a few thousand acres to the Government and a man would have no difficulty if that were required. Perhaps there could be a sliding penalty.

I think there are a number of ways that a penalty clause could be worked out that would be feasible, but complete forfeiture of the fee title seems to be the most severe and drastic penalty that could be placed upon a conveyance of this kind.

Senator NEUBERGER. We have been talking about the entire Klamath Forest in our conversation with you, Mr. Mathis. I am sure you realize that were your principal to purchase the entire forest, he would have to do so in blocks in competition with anybody who saw fit to match his price.

In other words, the entire vast forest, with its very great value would not be put in one huge chunk. It would be put up in smaller sections even though they might themselves be sizeable under the terms of S. 3051, but the entire forest could not be purchased at one fell swoop. I am sure you realize that.

Mr. MATHIS. I realize that.

Senator NEUBERGER. Let me ask you this, if I may: Suppose the other bill passed, S. 2047, and these timberlands were added to the contiguous national forest. Do you think your principal would be interested in bidding upon them if they were just put up for sale under the usual and routine methods of the Forest Service in opening up various tracts of timber stumpage for bid?

Mr. MATHIS. I am not too familiar with that procedure Mr. Chairman, but I seriously doubt if my people would be interested in buying this in small parcels.

Mr. COBURN. I think he misunderstood your question, in that, under the Forest Service, assuming that S. 2047 is enacted and the Federal Government acquires these lands and they are managed by the Forest Service—and stop me, Mr. Chairman, if I am wrong—as I got the chairman's question, under those circumstances, would your company be interested in going in and buying the timber from the Forest Service and not buying individual tracts of land?

Senator NEUBERGER. In other words, the Forest Service just opens up the stumpage, but the land remains the property of the United States Government.

Mr. MATHIS. My client would not be at all interested in that. If he could not buy the land and operate the forest on a sustained-yield basis under his own methods of operation or substantially the methods he follows, he would not be interested.

Mr. COBURN. It is possible that a forfeiture of the land back to somebody would not be so severe a penalty under certain circumstances, and certainly I do not wish to imply that they would apply to your client, but it is conceivable that a timber operator interested solely in taking advantage, say, of a market situation under the terms of S. 3051, might purchase block A, with a penalty of a forfeiture in case he did not follow sustained-yield management, but his main interest in it is getting that timber.

If he says, "I will go in and sell it and get a quick value back; the timber is the only thing of value to me anyway," is that conceivable?

Mr. MATHIS. Yes, that is conceivable. My view is toward purchasing a large part of this rather than a man purchasing a thousand acres. Then forfeiture would not be much of a penalty because he would be buying for the timber anyway.

Mr. COBURN. He could do that under the administration bill, S. 3051.

Mr. MATHIS. Yes, he could.

Mr. WOLF. There are several thousand timber operators who do such purchasing. Has your client any experience in purchasing timber from the National Government?

Mr. MATHIS. That I don't know. I have never asked him.

Mr. WOLF. So you have no way of knowing whether he understands—and I take it you do not understand—the operation of the national forest in detail?

Mr. MATHIS. No. My client probably has purchased some timber from the Government under the Forest Service. I am confident that he has, but I have no such information.

Mr. GAMBLE. This subcommittee has two bills now pending before it. It is conceivable that neither one of the bills would be enacted. If that is the case, this timber property will have to be sold under the provisions of Public Law 587 as it is now on the statute books. Could you tell the committee whether or not your principal intends to submit a bid to the Management Specialists who are charged with selling the property on the entire reservation?

Mr. MATHIS. Not until they have cruised and checked it themselves. I am not in a position to answer that.

Mr. GAMBLE. As the law now stands, the managers will put these properties up in blocks and dispose of them. If your principal is interested in obtaining the entire forest property as you have indicated in your letter to the chairman, it would be necessary for him to go to the Management Specialists and I presume make them an offer for the entire block rather than waiting for the individual pieces to be put up for sale.

Mr. MATHIS. That brings to mind a question that I had an incomplete answer on—what conclusions, if any, did I reach in my conversation with Mr. Chilson.

When I left Mr. Chilson's office, I concluded that in all probability the land would be sold under existing public law; that if my people were going to bid on it that it was my duty to get a copy of the current appraisal as soon as possible and get it in their hands; that they would then set up their cruising teams and their timber people to look over the property and come back so that they would be in a position to make a bid.

We intended to follow that procedure and bid on the property, all or part of it, but because the Secretary told us that unless there would be new legislation he would be compelled to set it under the present law, we have been following that procedure or that outline since I left Mr. Chilson's office.

I reported back to my clients, and I told them that that was the procedure. I told them I would keep them advised and I would get this appraisal as soon as possible. Mr. Chilson told me he thought it would seen be available.

I have not been able to get a copy of it. Mr. Grorud has attempted to get a copy for me and I have not been able to get anything to send my client.

Senator NEUBERGER. In other words, when you left Secretary Chilson's office, you were under the impression that so far as the Department of the Interior was concerned, the timber would be sold under the existing law, Public Law 587?

Mr. MATHIS. Yes, that was the only authority the Secretary had at that time and we thought we would have to proceed under that act.

Senator NEUBERGER. The Secretary did not give you to believe that an effort would be made by the administration to change the terms of Public Law 587 governing the sale of the timber?

Mr. MATHIS. In all fairness to the Secretary, Mr. Chairman, I do not believe I can answer that question one way or the other. He may have thought he said new legislation was necessary in order to make an orderly disposition of property without leaving it wide open to have the land completely denuded.

Senator NEUBERGER. Did he indicate to you any support at all, or that of the administration for my bill for the Federal purchase of the reservation?

Mr. MATHIS. Mr. Chairman, I do not recall. We may have discussed it.

Mr. GAMBLE. Mr. Mathis, you are not a forester, are you?

Mr. MATHIS. No, sir, I am not. I have been practicing law since 1931.

Mr. GAMBLE. Are you familiar with the hearings—I noticed you have a copy—which the subcommittee conducted in Oregon last October?

Mr. MATHIS. I have glanced through that, but I cannot say that I am familiar with it in detail, or not even generally at this time.

Mr. GAMBLE. I was wondering if you were familiar with the testimony given to this subcommittee by the representative of the Weyerhaeuser Timber Co. with respect to the purchase of this reservation.

If I recall correctly, Mr. Chairman, Mr. George Weyerhaeuser who testified in behalf of that corporation, gave us his opinion about the value of this property if it was to be purchased by his company and the amount of discount that would be allowed before they would purchase it.

I wonder if Mr. Mathis would agree with that general philosophy that a potential purchaser, in paying cash for this very vast acreage of timber, would have to have a sizable discount in the asking price before he would be interested in buying it.

Mr. MATHIS. That thought had occurred to me but it was prompted by a different thing. I am not a timberman, as you realize. I felt that to put too many restrictions and limitations on a purchaser such as the forfeiture clause and perhaps operation or management on a sustained-yield basis under Government rules and regulations, both of those items in my opinion would substantially reduce what any potential private purchaser would pay for those lands.

Mr. GAMBLE. Considerably less than the fair market value?

Mr. MATHIS. Certainly, by all means.

Mr. GAMBLE. Do you have any estimate of what that figure might be? How much would it be less than fair market value in percentage?

Mr. MATHIS. No, sir, it is just based on business experience and in dealing with clients.

Mr. GAMBLE. Do you think it would be as large as 50 percent?

Mr. MATHIS. I would prefer not to hazard a guess. It would reduce the market value or the sale price of the land substantially below the market value, but how much I could not venture a guess on. It would be a pure guess.

(The witness submitted the following letter on Feb. 17, 1958:)

DAVIES, RICHBERG, TYDINGS, LANDA & DUFF,
Washington, D. C., February 17, 1958.

Mr. JAMES H. GAMBLE,
Senate Interior and Insular Affairs Committee,
Washington, D. C.

DEAR MR. GAMBLE: When I appeared last week on February 11 as a witness before the Senate Subcommittee on Indian Affairs, at page 425 of the record, you inquired if I agreed with Mr. George Weyerhaeuser in his opinions regarding the value of the property if it were purchased by his company and the amount which it would be necessary to allow for his company to purchase it and manage it on a sustained-yield basis. I agree generally with the testimony of Mr. Weyerhaeuser as it appears on pages 164, 165, 166, 167, 168, and 169.

It stands to reason that a purchaser of this property who would operate it on a sustained-yield basis would of necessity bid considerably less than a potential purchaser who planned to cut all the timber and sell it as fast as it could be removed.

I received from Under Secretary Chilson a copy of a letter which he recently addressed to the committee in compliance with the request contained in my letter to Under Secretary Chilson dated February 7, 1958.

Under Secretary Chilson confirms my meeting and discussion of the proposed purchase by a client of this firm of the Klamath tribal lands.

It was a pleasure to appear before your committee and if I can be of further assistance to you please call on me.

Sincerely,

DAVIES, RICHBERG, TYDINGS, LANDA & DUFF,
By C. ROBERT MATHIS.

Senator NEUBERGER. I believe Mr. Wolf has a question on this particular vein.

Mr. WOLF. You testified that your client wanted to operate this on a sustained yield basis.

Mr. MATHIS. Yes; he would not think of operating it on any other basis.

Mr. WOLF. The Weyerhaeuser Timber Co. indicated that, whether or not the property was operated on a sustained yield basis, it would take a discount of approximately 50 percent from the price arrived at by multiplying the timber volume by the current value of timber.

In other words, if you could sell small tracts of timber for $40 a thousand, and there were 4 billion feet—it would be worth $160 million—they would say they could only pay $80 million without any restrictions on sustained yield. They further testified that a sustained-yield restriction would reduce even further, perhaps, the amount that could be paid.

How does that set with the opinion your clients may have as to value?

Mr. MATHIS. I have not discussed the market value or price or subjects we are now discussing with my client very much. I told them when we could get this appraisal—and I did not know when that would be—that they would get some idea of what the appraised value of it was. They would have to form their own opinion as to the market value and then calculate their bid after seeing such restrictions as were in it and after having cruised the timber themselves and other things.

I have not discussed price because we have not gotten into a position to discuss price. We are not sure of what we are talking about at the moment. All we have is a map.

Mr. WOLF. You have said to operate on other than a sustained-yield basis would not be profitable. On what did you base that assumption?

Mr. MATHIS. I did not realize that I had any opinion on that or that I had made a statement to that effect.

Mr. WOLF. I believe it is in the record.

Mr. MATHIS. Perhaps you are referring to a statement that I made that my people operate their lands on a sustained-yield basis and find that profitable.

Mr. WOLF. It would not be unprofitable necessarily to liquidate timber. You were not trying to imply that?

Mr. MATHIS. No. I see it all the time and you do, too. It is a common practice. A man will buy perhaps 500 acres and cut it off like it had been gone over with a lawn mower.

Mr. WOLF. The Weyerhaeuser people indicated to this committee that the cost of borrowing or the rate of return that a person would expect on the money invested would be so formidable that unless he could buy it at appreciably less than the current value that we discussed earlier, arrived at by multiplying prices times volume, unless he could buy it at this investment price, he would not be in a position to compete with someone who wanted to come in and bid on a liquidation basis.

You talk of Public Law 587 being carried out; that has no sustained-yield clause in it. How would your client be able to compete with some of the other local firms, for instance, who may wish to come in and liquidate that timber?

Mr. MATHIS. I think there would be a substantial difference in bidding if you planned to go in and cut off all of the timber right now and at a fairly good market which you have now. I think you would bid substantially differently and the price would be substantially different.

I have not discussed that with my client and you are getting into timber angles that I am not familiar with.

Mr. WOLF. If Public Law 587 is not amended, the Secretary will offer this in about 95 separate units. If S. 3051 is enacted, he would offer it in about 10 units. The 95 units would make it more difficult, would it not, for your client to come in and compete?

Mr. MATHIS. Yes; because divided by 95 there would be many more small operators coming in.

I meant to say they would bid more because they would come in and get their money back immediately.

Senator NEUBERGER. In other words, Mr. Mathis, you regard the liquidation price that would be offered for this timber, if it were cut in a great hurry, as a higher price to be offered than the sustained-yield price?

Mr. MATHIS. Yes; I think that is correct, Mr. Chairman.

Mr. WOLF. The point I was getting to is this: If Public Law 587 is not amended it would be more difficult for your client, then, to make an offer on this reservation with any assurance that he would be successful on enough of it to put together the type of operation he apparently contemplates.

Mr. MATHIS. I think that is correct. We anticipated substantial difficulty with the small parcel offering, knowing that we would be bidding against people who would bid without restriction to go in there and cut it off immediately.

Mr. WOLF. Then what amendments to Public Law 587 do you think would be desirable?

Mr. MATHIS. I do not believe that I am in a position to go into that well enough because I have not studied it recently or from the viewpoint of management. I do feel that some sustained yield could be incorporated in the bill.

I realize when you put every limitation on the conveyance, it will reduce the potential price that a purchaser will pay.

Mr. WOLF. To be attractive to your client, this would have to be incorporated in the bill?

Mr. MATHIS. Unless the Secretary were authorized to negotiate a sale without regard to the public law, without regard to the return.

Senator NEUBERGER. The future stabilization of timber and economy in Oregon, in my opinion, and in that of people far more versed on this question than I am, depends on whether or not we are going to secure pulp operations and similar byproduct operations to take up the slack in saw-timber and direct lumber employment.

Should your principal purchase substantial quantities of this timberland on the Klamath Reservation, would he contemplate only a saw-timber operation or a pulp operation?

Mr. MATHIS. I have not discussed that particular point with my client, but I am confident that he would sell some saw-log operations and some pulp operations. It would be a combined timber operation.

Mr. COBURN. Is your client now in the pulp business?

Mr. MATHIS. I would rather not give too much information about my client.

Mr. COBURN. I assume you know what type of business he is in?

Mr. MATHIS. Yes, I do.

Senator NEUBERGER. There are thousands of people in the United States engaged in pulp operations. I do feel you have followed the situation enough in the Northwest to know that many people who are worried about the economy of the Nation hope that integrated operations can be worked out which will be utilizing not only saw-timber but also the so-called scrub species in that area for collateral pulp operations. That is the reason I press this particular question, because I believe it is very important.

Mr. MATHIS. I am confident that if my client were a successful bidder on all or part of these lands, that anything that he did there would redound to the economic benefit of the Northwest.

There would be available saw logs, other timber and timber for pulp at the same time. I do not think you would find any disturbance in what he would do with these tribal lands.

Senator NEUBERGER. Mr. Mathis, I want to thank you very much for coming here. I have just 1 or 2 very brief comments.

To begin with, we are indebted to you for meeting so promptly with our subcommittee. I should like to explain why I pressed you so urgently, through Mr. Gamble, to come here at an early date. I thought it was important that the Indians and their attorney hear what you have to say.

In the room today are various members of the Klamath Tribe and their attorney, and I should mention that not all of the members of the Klamath Tribe who are in the room today see eye to eye as to how this timber should be administered, but they are jointly, along with several thousand others of their comembers of the tribe, the owners of this timber.

After all, the Government is just the custodian or trustee of this timber, but the Indians own it. It belongs to them. Therefore, the fate of their resources is at stake.

Inasmuch as you had mentioned very specifically in your original letter that you were representing a client with a very definite interest in this, I felt it important that these people themselves hear you. They are going to return to the reservation.

They are going to meet with a great many of their associates in the Klamath Tribe. I wanted them to know what you had to say directly rather than learning it through hearsay. For that reason, I am grateful that you have come to us so promptly so that the various members of the Klamath Tribe who have been here for these hearings and who are the owners of the timber have had an opportunity to hear your words and your information.

I am also very glad that Congressman Ullman, who is the sponsor of the Klamath bill in the House of Representatives and who represents the congressional district in which the timber is located, has accorded us the privilege of being here today so that he could hear for himself what you have had to say.

I am still somewhat curious why the Under Secretary of the Interior did not tell us of his meeting with you. I have very great confidence in Secretary Chilson, but inasmuch as he mentioned several appointments which were broken and several phone calls, I am somewhat at a loss to understand why he did not impart to the committee information regarding this meeting with you last summer.

However, I recognize that it is possible for anyone to overlook things in our rather busy lives.

I am grateful to you for coming and the subcommittee will stand in recess, but I want to reiterate again, for your own benefit and others in the room that the record is being kept open until February 20 for the receiving of additonal statements or information that would bear on this great problem before us.

Is that correct, Mr. Gamble?

Mr. GAMBLE. Yes.

STATEMENT OF HON. AL ULLMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Representative ULLMAN. I want to express my appreciation for being able to sit in on your hearings today. I also want to commend the chairman of this subcommittee for his diligence in holding hearings and working toward a just solution of this very complicated problem that we have out in Oregon.

It is the kind of loyal effort that we have seen on the part of this committee that is going to enable us to work out this problem.

Senator NEUBERGER. I thank you you very much. I want to say to you that we are very grateful for your constant cooperation. I think the members of the Klamath Tribe and the people who live in the Klamath Basin, which is a very large part of our State, are fortunate in having a member of the House of Representatives who is so diligent in trying to reach a favorable and successful solution to this very thorny problem.

Thank you very much for being with us, Congressman.

Mr. MATHIS. Mr. Chairman, I appreciate the opportunity of appearing before your committee and stating the views of my clients and my own views.

I should like to state that, in the first place, I was quite surprised to find that there was no interest on the part of the private industry to buy these lands except that which was evidenced by my clients' interest, but if my clients should be successful in obtaining all or a portion of these lands, I assure you that no one would object, except maybe competition, to his methods of operation in that area.

He would add to the economics of the area and he would not be devastating the land because he is already in operation in many areas of the country.

Senator NEUBERGER. Again, I want to say that the record will be open until February 20. If you have any further pertinent information for us we will be glad to receive it prior to that date.

(The following letter was submitted by Secretary Chilson on Feb. 13, 1958:)

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., February 13, 1958.

HON. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: You have received and placed in the hearing record on S. 2047 and S. 3051 a letter dated February 6, 1958, addressed to you by Mr. C. Robert Mathis, and a letter dated February 7, 1958, addressed to me by Mr. Mathis.

To the best of my recollection, Mr. Mathis is correct in his statement that he discussed with me during the middle of 1957 the interest of a client of his in purchasing all or a substantial part of the Klamath Indian Forest. The name of his client was not disclosed, and there was no discussion of price or terms of conveyance. The conversation was in general terms, i. e., his general interest in bidding on the property when it was offered for sale.

The discussion was also in terms of sales under the provisions of the present Termination Act, assuming no changes are made by Congress. This Department's proposed amendments to the act had not been formulated at that time, and the bill that you had introduced did not provide for sales to private purchasers. The discussion was therefore necessarily on the basis of the law as it then existed.

As I indicated in my testimony before your subcommittee, the expressions of interest by prospective purchasers that have been received by the Department have been rather nebulous in character, and could not be identified with specific persons or industries. I referred to one such expression of interest received from New York. The conversation with Mr. Mathis did not occur to me at the time the question was asked at the hearing, or I would have mentioned it also. I am glad to know, however, of the continued interest of Mr. Mathis' client, and I hope that he will be interested in purchasing the land under the two conditions that we believe are essential, namely a fair price for the Indians and an enforcible sustained yield management covenant.

A copy of this letter has been sent to Mr. Mathis.

Sincerely yours,

HATFIELD CHILSON,
Acting Secretary of the Interior.

We will now adjourn.

(Whereupon, at 4:20 p. m., the hearing in the above-entitled matter was adjourned.)

APPENDIX

(The following information and communications, pertaining to the hearings, have been ordered to be printed by the chairman:)

[Portland (Oreg.) Journal, February 12, 1958]

SEATON DENIES REGION FACES POWER SHORTAGE

(By Larry Smyth, Journal Political Editor)

There has been more electric power capacity installed in the Columbia River basin in the last 4½ years than in the previous 20 years, Secretary of the Interior Fred A. Seaton said here today.

Seaton is in Portland to speak at two dinners of the Republican Party tonight in observance of Lincoln's birthday. One will be a party workers' affair at the Columbia Athletic Club at $3 a plate, the other a fund-raising dinner at the Multnomah hotel at $100 a plate. Seaton will speak first to the party workers.

At a press conference the Secertary, who succeeded to the post held by Douglas McKay, outlined the progress he said has been made in the field of electric power, both public and private, in this area.

He said on January 1, 1953, there were 4,515,000 kilowatts of capacity in the area and now there are 7,602,000, a gain in the intervening years of 3,087,000 kilowatts. This, he said, would answer some of the hue and cry that nothing has been done to develop more power in the region. Most of the gain was in Federal power, he added.

In addition, there are many projects in this area now under construction and in the planning stage, both public and private which will keep the Northwest away from a power shortage for the immediate future.

Seaton said he was awaiting action of Congress on money to spend for a feasibility study of the high Pleasant Valley Dam in the Snake River. This money is in the budget and he hopes Congress will approve it so the Department of the Interior can proceed with development of that part of the river.

Seaton opposes the Nez Perce Dam at this time. The Federal Power Commission, in denying a license for construction of the Mountain Sheep and Pleasant Valley Dams, proposed by the Pacific Northwest Power Co., recommended a dam at Nez Perce. Seaton opposes it until the fish problem is solved.

Seaton said statehood for Alaska and Hawaii seems to have the best chance of approval at this session of Congress than at any time. He favors statehood for both.

Asked if the Federal Government, or specifically, the Bureau of Land Management had considered reducing the appraised price of Federal timber to permit Northwest mills to buy timber at lower prices. Seaton said the question had not been presented to him but, if it should be, he would give it prompt attention. Some lumbermen contend the high cost of Federal timber which is the sole source of supply has slowed production and even stopped it in some areas.

On the Klamath Indians problem of terminating Federal supervision of the reservation, Seaton said the Indian must be protected from exploitation as well as protected in his own rights. The Neuberger bill in Congress would take from the Indian the right to sell the timber in which he has an ownership. The Department of Interior bill gives the Indian that right but protects them in the sale of it, Seaton said. Ultimately the Indians themselves must decide what is to be done by their own vote, he said.

FEBRUARY 18, 1958.

Mr. ROY BEADLE,
Editor, the Journal, Portland, Oreg.

DEAR ROY: While in Oregon on a partisan political mission, Secretary of the Interior Seaton made an unwarranted and inaccurate attack on my bill which seeks to solve the vexing Klamath Indian reservation question.

In an interview with Larry Smyth in the Journal of February 12, Mr. Seaton is quoted as saying: "The Neuberger bill in Congress would take from the Indian the right to sell the timber in which he has an ownership. The Department of Interior bill gives the Indian that right but protects them in the sale of it. * * *"

It is regrettable that the Secretary of the Interior is not more fully informed on an issue of such crucial importance to our State.

My bill provides that the Federal Government would buy the timber from the Indians at a fair and equitable price. Then the United States Forest Service would sell the stumpage to all potential buyers, large and small alike, under the traditional sustained-yield policies of that outstanding Government agency.

Mr. Seaton's bill would offer the timber for sale to would-be private purchasers in 11 huge tracts. Expert foresters have testified before my Senate Indian Affairs Subcommittee that only the very largest timber corporations could bid on these tracts. If such companies did not buy the timber at the "realization value" set by the Interior Department, the Government would be obligated under the Seaton bill to acquire the tracts which private industry had declined to purchase.

I am not as partisan or dogmatic as is Mr. Seaton on this whole matter. I believe my Federal-purchase bill is by far the preferable solution. It has been endorsed by the Klamath tribal representatives, by the Management Specialists, by nearly all major civic and conservation groups in Oregon, by most of the press, by Governor Holmes, by the Oregon legislative interim committee on Indian affairs, by organized labor, and by major segments of the lumber industry. Yet, if my bill seems unlikely to pass the Senate, I would far prefer Mr. Seaton's bill to allowing the present disastrous termination to run its course. Indeed, I actually introduced Mr. Seaton's bill "by request," in order to bring it before my subcommittee.

Mr. Seaton and his political party must bear major responsibility for the short-sighted original act of 1954, which now must be changed lest 4 billion feet of pine timber be dumped on an already sagging lumber market. For this reason, it is difficult for me to understand why Mr. Seaton chose Oregon as the locale for his distorted criticism of my bill for Federal purchase of the Klamath resources.

Sincerely yours,

RICHARD L. NEUBERGER,
United States Senator.

[The Christian Century, January 22, 1958]

KLAMATH TRIBE NEARS A CRISIS

NO FEASIBLE WAY IS SEEN TO SELL THE TIMBERLANDS WITHOUT DAMAGE TO INDIANS AND PUBLIC

(By Mark A. Talney)

PORTLAND, OREG., December 30.—With the first phase of termination of the Federal wardship of the Klamath Tribe and the sale of Indian timberland valued at over $113 million only 8 months away, there seems little hope for disposal of the property without doing the Indians an injustice and the economy of Oregon considerable damage. Three solutions are put forward for disposing of sufficient timber to satisfy the claims of tribal members who elect to withdraw from the tribe: State purchase, Federal acquisition, sale to private companies. No money

is available for State purchase. A transaction involving so many millions would not be made by the legislature without reference to the people of the State. The likelihood of such a referendum's meeting with success is not conceded by a single authoritative statesman in Oregon. In any case, the legislature does not meet until 1959. Since a special session was held in 1957, and 1958 is an election year, no special session can be anticipated to deal with the situation.

PRIVATE OR FEDERAL PURCHASE?

The Weyerhaeuser Timber Co. has proposed that the timber be sold on bid to private companies, with some safeguards in the process of cutting. However, the sale price suggested as possible for even large companies to pay is only 40 percent of the value. The further suggestion is, therefore, that the Federal Government pay the difference as an obligation to the Indians. Were the Federal Government to enter into such an arrangement, a cry of "giveaway" would immediately arise. Some contend that if the Federal Government is prepared to pay 60 cents on every dollar's worth acquired by private timber interests, it is in position to give consideration to full ownership. Federal purchase is offered as the only adequate solution. Two questions plague those who advance this plan: Will there be time to obtain congressional consent to it before August 13, 1958, the final date of sale? What hope is there that Congress will agree to the purchase? On both counts there is considerable pessimism. Even Senator Richard L. Neuberger, who has bipartisan approval of his bill for Federal purchase, is far from confident of success.

LITTLE HOPE FOR A FEDERAL OUT

There is a Federal law already on the books under which the timber could be bought for inclusion in the national forest reserve. Secretary of the Interior Fred A. Seaton favors the idea and is interested in finding a way to prevent the valuable timber from being cut by private groups in case the Klamath Termination Act runs its course without intervention. But the idea of Federal acquisition, it is pointed out, runs counter to the whole philosophical trend in Washington these days. The administration is straining to find ways of relieving the Federal Government of such responsibilities and is resisting strongly any pressures for its taking on added responsibilities. While the budget to make such acquisitions was from $20 million to $30 million during the New Deal era, today it is below $100,000. Congress could appropriate the purchase funds. But in the light of administration policy, of Congress' reluctance to purchase such land, and of the effect of Russia's sputnik on the Nation's military expenditures, Oregonians are not very optimistic about the chances of Federal acquisition of Klamath tribal holdings.

OREGON HOPES TERMINATION DATE WILL BE EXTENDED

So with that crucial date August 13 threatening to bring the piecemeal sale of the Klamath lands for uncontrolled cutting, sentiment is spreading rapidly in Oregon for further postponement of termination. Time must be given to determine the best way to dispose of the timber without loss to the Indians or economic disaster to this State. Prevalent opinion was strongly voiced by a resolution from the convention of the association of Oregon counties, which states that "the present termination legislation apparently pleases no one" and urges: "That Congress be asked to provide 3 additional years for continued study of ways and means of terminating Indian jurisdiction over the Klamath Reservation; that the present timber management policies and reservation programs for tribal members be continued during the interim; that a thorough study be made of the tribal water and reservoir values to the end that their value can be fixed concurrently with the inventory of all other reservation assets; that a complete study be made of the economic consequences of all termination plans to the economy of southern Oregon and the Klamath Basin." The resolution points out further what has become very clear to all involved in the termination program: that "there are inequities in the existing termination legislation which should be corrected."

INDIAN SCHOOLS INTEGRATED WITH PUBLIC SYSTEM

In 1957 A. H. Harvey, director of Indian education for the Oregon State Department of Education, set about to integrate the Indian schools into the

public school system, a policy being followed by 17 States under the Johnson-O'Malley Act. In the fall of 1957 his goal became a reality when the last 2 Indian schools, out of a total of 30, opened as part of the public school system. Oregon thus is the first of the 17 States to complete the program of integration. Although some school districts were hesitant, Harvey refused to delay, and integration has taken place with but few of the anticipated problems materializing. However, the Chemawa Indian School, operated by the Federal Government, is still open. About 500 Navahos from the southwestern section of the United States make up the enrollment there.

CHURCHES, INDUSTRY BACK SUNDAY CLOSING

Supported by employer groups and labor unions, the Portland Council of Churches has called for voluntary Sunday closing of business houses. A resolution approved by the board of directors calls on Christians to "refrain from the purchase of any materials or services on Sunday which are not necessary for health or welfare." The State AFL–CIO in convention approved a "don't shop on Sunday" resolution. Roman Catholics in Oregon are bound in conscience by new and strict regulations against working, operating a business, or shopping on Sunday, according to a pastoral letter sent out by Archbishop Edward D. Howard of Portland.

JEWISH CONGREGATIONS EXPAND

Congregation Beth Israel of Portland, oldest Jewish religious organization in the Pacific Northwest, began observance of its centennial September 26, during Rosh Hashana. Organized when the population of Portland was 1,280 and the Jewish population only 30, Beth Israel now occupies a magnificent building covering a city block. Over the years, guided by outstanding spiritual leaders, it has changed from Orthodox to Reformed. During Yom Kippur another of the area's oldest Jewish congregations, Shaarie Torah, registered progress by announcing plans for a new synagogue to cost $400,000. The new building is necessitated by growing membership and crowded educational facilities.

AND SO FORTH

A Roman Catholic archbishop and bishops and abbots from many northwest areas recently gathered in the church at Mount Angel Abbey for a solemn pontifical Mass marking the conclusion of the abbey's 75th anniversary celebration. Bishop Francis P. Leipzig, of Baker, pointed out that when Mount Angel was founded there were 10,000 Catholics in Oregon. with 24 churches and 27 priests. Today, he said, Oregon Catholics number 150,000, and there are 235 churches and 405 priests.

The Episcopal diocese of Oregon, with Bishops Benjamin D. Dagwell and James W. F. Carman officiating, has dedicated a $300,000 chapel at its Good Samaritan Hospital.

First Methodist Church of Portland (Laurence E. Nye, pastor), which recently dedicated a million-dollar structure, has started a campaign to raise an additional $200,000 for a fellowship hall.

Julian J. Keiser, pastor of First Congregational Church, Salem, has been called to become minister of social action for the Congregational Conference of Southern California.

G. Henry Green, for 10 years executive of the synod of Oregon (Presbyterian, U. S. A.), has become pastor of First Presbyterian Church, San Pedro, Calif. Monte Brown, assistant executive of the synod, has been named financial adviser for the northern California synod.

DeWitt Safford, executive for the United Presbyterian Church in the Northwest, has left a similar post in Montana.

Ross J. Griffeth, president of Northwest Christian College, Eugene, was reelected president of the Oregon Council of Churches.

John E. Ransom, associate pastor of Westminster Presbyterian Church, Portland, has left to become minister of Christian education at Immanuel Presbyterian Church, Los Angeles, where he will head a professional staff of seven.

STATEMENT OF THE KLAMATH COUNTY CHAMBER OF COMMERCE

The Klamath County Chamber of Commerce is a nonprofit corporation organized under the laws of the State of Oregon with its principal place of business at 323 Main Street, Klamath Falls, Oreg. It is a member of the United States Chamber of Commerce. Its membership of 600 firms, businessmen, and professional men represents the business leadership of Klamath County.

The object of the Klamath County Chamber of Commerce is to promote the agriculture, commercial, economic, industrial, civic, and social interests of Klamath County, Oreg. To attain these objectives the Klamath County Chamber of Commerce by action of the organization and through the work of its various committees dedicates itself to the preservation of the American economic system and the American way of life with special emphasis on: (1) the dignity of the individual; (2) private ownership of property; (3) a free market; (4) profit, wage, and salary incentives; (5) free competition; (6) opposition to the encroachment of Government, except where no alternative possibly exists, upon the prerogatives of our system of free enterprise.

The Klamath County Chamber of Commerce submitted a prepared written statement to this committee at its hearing held on October 1, 1957, at Klamath Falls, Oreg., in which it traced the legislative history of the Klamath termination law (Public Law 587 of the 83d Cong.) and attempted to point out the disastrous consequences which will follow if the liquidation provision set forth in section 5 is not amended, and at that time we stated we were in favor of Federal purchase of the Klamath tribal properties so that the Federal Government might continue the scientific sustained-yield management of the forests under an appropriate Government agency.

In November 1957, after a proposal by the Weyerhaeuser Timber Co. had been submitted to your committee, the manager of the Klamath County Chamber of Commerce appeared before the Interim Committee on Indian Problems for the State of Oregon. At that time a fourfold proposal for possible action was made to this committee as follows:

(1) That the Federal Government purchase the assets of the Klamath Tribe of Indians and that the sustained yield timber practices be continued on the Klamath tribal forest;

(2) That private owners be permitted to purchase the timber on the condition that they continue sustained-yield timber practices, and that the Federal Government in its capacity as guardian of the Klamath Indians make up the difference between the price which the timber would have brought if sold without restriction and the price which it actually brought when sold on the sustained yield basis, this proposal being the solution suggested by the Weyerhaeuser Timber Co.; or

(3) That an agreeable combination of the two above proposals be negotiated; or

(4) That if all else failed, that Congress repeal the Klamath termination law, since the law as now written places in jeopardy the economy not only of Klamath County but of the entire pine and fir industry of the Nation.

Since this action was taken, the administration has prepared Senate bill 3051 which was introduced by our Senator, the Honorable Richard Neuberger, although he expressed doubts as to the feasibility of some of the provisions of the administration bill.

Senate bill 3051 was accompanied by a letter, dated January 13, 1958, from Hon. Fred A. Seaton, Secretary of the Interior, to the Honorable Richard M. Nixon, President of the Senate, which most admirably and completely summarizes and points up the urgent need for an amendment which will allow the tribal forests to be perpetuated on a scientific sustained-yield basis. We adopt the letter of Secretary Seaton as a far better analysis of the problem than we could hope to prepare, but we might emphasize one additional point—this problem is not one which affects Klamath County alone, nor the State of Oregon alone, nor the Western States alone. It is a national problem, for as we stated to you in October 1957:

"If the tribal forest is clean cut as would appear inevitable if the present law is allowed to remain in effect, how will the Nation replace this 76 million board-feet of timber per year which the tribal forests are capable of producing in perpetuity? The answer is that it cannot be replaced. It is gone and the United States, which since World War II has been transformed from a have to a have-

not nation in the matter of timber resources, will become increasingly dependent upon imports from foreign nations."

Your committee now has before it two bills: The original Neuberger bill, Senate bill 2047, introduced by Senator Neuberger in May 1957, and the administration bill, Senate bill 3051, introduced by Senator Neuberger on January 16, 1958.

Senate bill 2047 was introduced by Senator Neuberger nearly a year ago because of the deep concern felt by the people of our State, which was shared by Senator Neuberger, concerning the liquidation provisions contained in the Klamath Termination Act. It was our understanding, at the time Senator Neuberger introduced this bill, that it was not intended as a finished bill, that it was admittedly but a broad outline of a final bill, that it was introduced primarily to call attention to and pinpoint the grave problems insolved, and to give Congress the opportunity to hold further hearings and advise itself further concerning the need for amendment of Public Law 587. In this respect it has achieved its objective. Your committee did hold hearing on this bill at Klamath Falls, and Portland, Oreg., in October 1957 and valuable testimony was introduced. In particular we would wish to call your attention to the evidence presented by the Weyerhaeuser Timber Co. which we feel is particularly cogent.

Since receiving copies of the administration bill, Senate bill 3051, several days ago, we have given it thorough, if hasty, study. We are very much impressed with the general aspects of the bill. We consider it a well thought out, carefully drawn bill and we are particularly pleased with the provision allowing private industry the chance to bid on and purchase this timber on the conditions that it be perpetuated on a sustained yield basis, altthough we do question whether 75 years is a long enough time to continue the restriction, as this will not carry the forest through two complete cutting cycles. We also question, on the basis of Weyerhaeuser testimony, whether private industry will be able to purchase much of the timber on a 70-percent-of-appraised-value basis. However, on the whole we are of the opinion that it is a good bill. In thus endorsing the administration bill, we do not wish it assumed that we are in any way critical of the position taken by Senator Neuberger in introducing Senate bill 2047. No matter what the final outcome of the Klamath Termination Act may be, it will be a matter of record that Senator Neuberger was one of the first to rocognize the dangerous implications involved in section 5 of the act and to take action to prevent the forced liquidation of the Klamath tribal forests. Senator Neuberger by introducing his bill 9 months ago called the attention of Congress and the Nation to the grave problem involved and gave Congress and the administration opportunity to receive valuable information concerning possible solutions to this problem. We assume that the administration profited by all of this in preparing its bill.

Section 5 of Public Law 587 still remains intact. The stopgap amendment, (Public Law 85–132, 85th Cong., 1st sess.) does provide a new section 27 which postpones any sales of tribal property until the adjournment of this session of Congress, but unless the law is amended by this session of Congress, when the Congress adjourns, the Management Specialists will be forced to commence immediate sale of the portion of tribal property which if sold at the appraised value would provide sufficient funds to pay the members who elect to have their interests converted into money.

The expert and uncontradicted testimony heretofore submitted to your committee by the Management Specialists, the Weyerhaeuser Timber Co., and now by the Secretary of the Interior is, that if this is allowed to happen, it will result in the complete destruction of the Klamath tribal forest by the clear cutting of all of the timber thereon within a short period of years.

Faced with this alternative it is our firm conviction that any bill which the Congress may pass which will prevent this tragedy from occurring is infinitely preferable to the present law. But Congress must act now. It would be tragic if Public Law 587 is allowed to remain unamended solely because of differences of opinion among those favoring amendment as to the exact form it should take.

It is our earnest hope that this matter can be maintained on a nonpolitical bipartisan basis, that all of those realizing the need for immediate amendment to Public Law 587 will be able to resolve their differences, and that a bill which will be satisfactory to all concerned may be speedily arrived at and passed by the present session of Congress.

STATEMENT OF THE MAZAMAS

Mr. Chairman, my name is Martha Ann Platt, my address is 2738 N. E. 14th Avenue, Portland, Oreg., and I am conservation chairman of the Mazamas, a 64-year-old mountaineering club of Oregon with over 1,100 members. I have been authorized by the Mazama Council to make this statement because we are deeply interested in sound conservation practices that protect and preserve our natural resources.

Since this hearing is to determine the best procedure for the termination of the Klamath Reservation I shall discuss the two Senate bills Nos. 2047 and 3051, both introduced by Senator Neuberger.

Certain objectives must be met to fulfill not only the obligations to the Klamath Tribe but also to provide for the protection of natural resources and the economy of Oregon affected by the Termination Act. Since the enactment of this Public Law 587, 83d Congress, in 1954, it was necessary to extend the termination date because the time allowed was not sufficient to work out the management plan and obtain the appraisal of the tribal lands. Several facts have indicated the need for further legislation.

1. It was anticipated before 1954 that there would be private timber companies that would purchase the Indian timber at once. Now this is not the case.

2. It is imperative that the watershed of the Klamath Basin be protected to prevent erosion and floods, and this would best be accomplished by the orderly harvesting of timber.

3. The rapid liquidation of timber which would be necessary to pay off the Indians immediately would glut the lumber market and further depress the market.

4. Even if private companies would purchase the Indian timber, they could not afford to pay the appraised price for the timber and market it on a sustained-yield basis.

5. The sale of the Klamath Marsh for agricultural purposes would be a great resource loss because it is a natural feeding and resting place for migratory waterfowl, rare not only in Oregon but in the Nation. It is very important to the great migrations in the Pacific flyway, and would function with even greater capacity with very little management.

These problems are responsible for the two Senate bills being submitted and both have as their objectives management of the timber on a sustained-yield basis probably by the United States Forest Service, and the Klamath Marsh purchased by the Federal Government and administered by the United States Fish and Wildlife Service. All land would be acquired on a fair appraisal basis either by private sale or Government, and the Indians would be paid in full for their pro rata shares or permitted to apply these shares on the purchase of tribal land.

These bills present very different approaches to these problems. Mr. Neuberger's bill, No. 2047, which was introduced May 9, 1957, before the summer hearings in Oregon, provides for Government acquisition of all the tribal lands by purchase based on a new appraisal by a board of three members with one each selected by the Department of Agriculture, Department of the Interior, and the Klamath Tribe. The timberlands would be managed on a sustained-yield basis by the United States Forest Service and the Klamath Marsh by the United States Fish and Wildlife Service. Other Indian lands would be sold on a competitive basis with priority to Indian bidders. Purchase price would be paid no later than 1 year after the acquisition of the tribal lands by the Government, and authorization was given to appropriate the sums necessary to carry out the provisions of this act.

We would offer two suggestions regarding this bill: There should be a revision of the amount of acreage to be included in the Klamath Marsh to about 16,000 acres, and there should be an established need to set up a new appraisal board. Under the Termination Act there was an appraisal board set up by the Management Specialists, and its findings should be available very soon. Using these figures would expedite procedure. A new appraisal would involve considerable time and cost; and, unless there is real objection or dissatisfaction with the present board, a duplication of effort would not be justified. If there are sound objections, then a new board selected by the two Departments and the tribe is a good representative one.

This bill, S. 2047, is clear and simple and would be an effective solution if Congress would appropriate the money needed for purchase.

At the request of the Department of the Interior, Mr. Neuberger introduced S. 3051 which covers only tribal lands that comprise the Klamath Indian Forest and the Klamath Marsh, the rest of the reservation lands—grazing and agricultural—would be handled as directed under the Termination Act. The timberland would be offered at the realization value arrived at by the appraisal board of the Management Specialists to competitive bidders, said timber to be harvested on a sustained-yield basis for 75 years. In the event these lands are not all purchased by January 1, 1960, the United States Government is to take title and they will be managed by the United States Forest Service. The Klamath Marsh, if not sold to members of the tribe by January 1, 1960, shall be acquired by the United States Government and shall be designated as the Klamath Forest Wildlife Refuge, and shall be administered by the United States Fish and Wildlife Service. Whether payment for these lands on the realization value shall be made immediately after publication in the Federal Register, January 1, 1960, or at the termination date of August 13, 1960, is not clear in this bill. Nor is the date of payment to the Indians for the sale of the agricultural or grazing lands made clear.

The final provision in S. 3051 permits an Indiau purchaser to apply his share due from the sale or taking of marsh and timberland and tribal property toward the purchase of any tribal property offered for sale. Since there is no deadline for snch application, it could be made right up to the termination date. This would allow no time for processing the application, no period for adjusting the estimated funds and the realizatiou price or the procuring of supplementary financing. Either a deadline for such applications should be indicated or an extension of time for any adjustments after the termination date, unless there is implication in the statute that this can be done.

S. 3051 would not require such a large appropriation as S. 2047 and therefore might be likely to pass Congress. It is imperative that there be Federal ownership of the timber and marsh as soon as possible. But if both these bills fail to pass Congress, then alternate plans should be considered. If the large appropriation is the objection, then settlement to the Klamath Indians might be as follows:

1. Cash payments made immediately from the sale of agricultural and grazing lands.
2. Cash payments made immediately from timber sales on a sustained-yield basis.
3. Negotiable, assignable bonds for the balance due from the sale of timber and marshland at the realization value. These bonds could run for 10 years but could be cashed at a discount before that time. Thrift would be rewarded, but hardship could be provided for. This might not be au acceptable solution to the Klamaths, but neither is the specter of termination liquidation without regard for resource or economy to other citizens. Certainly Mr. Neuberger is going to do his best to enact legislation that will provide for a just settlement and we salute his efforts.

Thank you for the privilege of presenting this statement for the hearing record.

MARTHA ANN PLATT,
Chairman, Mazama Conservation Committee.

RESOLUTION OF KLAMATH BASIN WATER USERS PROTECTIVE ASSOCIATION

Whereas the Senate Interior Subcommittee on Indian Affairs is holding further scheduled hearings on S. 2047 and S. 3051, in Washington, D. C., on February 3, 4, and 5, 1958, which concerns the termination of the Klamath Indian Reservation, located in the State of Oregon; and

Whereas certain conditious which will be brought about by the proposed termination are of extreme interest to the Klamath Basin Water Users Protective Association and are of vital importance to the agricultural development of the upper Klamath Basin, said conditions being the effect of the termination as provided by Public Law 587, on the whole Klamath watershed and on the general runoff of water into the basin; and

Whereas the final agricultural development of the area which will eventually consist of the irrigation and drainage of over 600,000 acres of land in the Klamath Basin, depends upon the conservation and use of water; and

Whereas Public Law 587 does not provide the proper and necessary rules and regulations for a modern system of forestry as would be carried out under a plan for sustained yield harvesting; and

Whereas Senate bill No. 2047, introduced by Senators Neuberger and Morse authorizing the Federal Government to purchase the reservation lands, is in paragraph 30, contrary to the facts as pertains to tribal acreage: Now, therefore, be it

Resolved, That the Klamath Basin Water Users Protective Association recommends to the Senate Interior Subcommittee on Indian Affairs, that Public Law 587 be amended, for the sale of timberlands on the Klamath Indian Reservation, to the United States Forest Service, to the United States Bureau of Land Management or to some other organization, public or private, under conditions that will guarantee a plan of forestry carried along under a sustained yield basis in perpetuity; and be it further

Resolved, That in proposing amendments to Public Law 587, the Subcommittee on Indian Affairs give careful consideration in planning for use, that portion of the Klamath Indian Reservation known as the upper Klamath Marsh; and be it further

Resolved, That this association urgently recommends that the sponsors of S. 2047 and S. 3051 amend this legislation to be consistent with plan for the Klamath Marsh, as set forth at pages 45 and 46, chapter III, of the Bureau of Reclamation Upper Klamath River Report, dated June 1954: "This natural marsh lying at an elevation of 4,500 is fed by the Williamson River which rises in the Yamsay Mountains, and numerous streams which rise from the east slopes of the mountains forming Crater Lake. The Klamath Marsh area contains about 85,000 acres of arable lands of which 15,000 acres now sustain natural marsh growth in an average year and another 13,000 acres irrigated by stream diversions. A basaltic reef at the south end of the marsh provides a natural controlled outlet elevation for surface overflows.

"Under a planned land-use pattern, 15,000 arable acres would be reserved for permanent improved marsh and open water. The remaining arable lands would be cropped to sustain an increased livestock economy. This would increase the water use about 17,000 acre-feet annually.

"The report by the Bureau of Indian Affairs presented a plan to irrigate most of the arable lands of this area. This plan consists of (1) a dam and reservoir of 25,000 acre-feet capacity on the upper Williamson River above the main body of arable lands in the Klamath Marsh, (2) an improved drainage system through the marsh, (3) distribution pumping plants and conduits to serve the irrigable area, and (4) dikes and control works to regulate the water surface on part of the marsh area. A potential ground water basin in the area may, if fully developed, reduce or eliminate the requirement for surface storage."

STATE OF OREGON,
County of Klamath, ss:

I, John L. Stewart, Jr., secretary-treasurer of the Klamath Basin Water Users Protective Association, do hereby certify that this copy of resolution of the executive committee of the Klamath Basin Water Users Protective Association has been compared by me with the original thereof, that the same is a true and correct copy of said resolution and the whole thereof.

In witness whereof, I have hereunto set my hand and the official seal of the association this 27th day of January 1958.

[SEAL]

JOHN L. STEWART, JR.,
Secretary-Treasurer.

STATEMENT OF A. F. HARTUNG, PRESIDENT, INTERNATIONAL WOODWORKERS OF AMERICA, AFL–CIO

Volumes have been written containing the testimony of interested groups and individuals regarding the Klamath Indian Reservation Termination Act and the problems that will arise as a consequence. At this late date there is little that can be added to what is already in the record. Therefore, it will not be our intention to extend the patience of those who are trying to find the most logical and workable solution to these problems of termination by repeating many of the things already well known to the subcommittee. Rather we shall confine our written testimony primarily to the merits or demerits of Senate bill 3051 which Senator Richard L. Neuberger introduced recently (by request of Fred A. Seaton, Secretary of the Interior, and the administration).

Secretary of the Interior Seaton, in his draft of the proposed bill, to amend the act terminating Federal supervision over the Klamath Indian Tribe, by

providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, has acknowledged forthrightly the facts surrounding the problems to be created by termination. We heartily concur in all that his document states with the exception of some of the methods by which he and the administration intend to solve these problems.

Very frankly, Senate bill 3051 adds nothing to Senator Neuberger's bill S. 2047 on the same subject, except features which the overwhelming majority of all Oregonians, in all walks of life, reject emphatically.

We are unalterably opposed—and here we state the majority view in the public interest and the Indian's welfare—to termination at this time and for two simple but undeniable facts; (*a*) the Indians are not fully prepared to meet the challenge that total termination presents; and (*b*) to dispose of their timber and woodlands to private interests on today's market or for the next 3 years, in our opinion, would be economically unsound for the Indians and morally wrong for the administration.

Our Federal Government has done practically nothing to prepare the Indians for the proposed termination since the act was passed in 1954. We make no pretext of our complete dissatisfaction with former Secretary of Interior McKay's handling of this matter. We go one step farther and state very bluntly that the so-called Management Specialists appointed by McKay to supervise termination over the Klamath Tribe were completely incompetent to do the job that should have been expected of them and the lack of preparedness today further emphasizes this weakness. We have completely wasted 4 important years and the blame rests right on the doorstep of the former Secretary of the Interior and the monopolistic interests he placed above his civic duties.

What we have stated in the above paragraph is not from any rancor of McKay but from the record of his misdeeds. By this Termination Act he was setting the stage for one of the biggest steals in our Nation's history—over 700,000 acres of some of the finest timber left standing on this continent is being dangled before the eyes of private interests in a period of depressed prices for this kind of raw material. Four giant companies are waiting on the sidelines to gobble up this "green gold" just advertised for sale in the public press of Oregon on January 26 (exhibit A attached)—Weyerhaeuser Timber Co., International Paper Co., Powell River Paper Co. and Johns-Manville Corp.

We call the attention of the subcommittee to that portion of the exhibit A which states: "Although purchasers will be urged to operate the property purchased on a sustained yield basis, the sales will be made to the highest bidder regardless of the intent for which the purchase is made." This will not be the case if either Senate bill 2047 or 3051 is passed by the 85th Congress, so prompt action on both these bills is imperative.

Senate bill 3051 proposes that the timberlands be offered for sale to private interests first and if not accepted there the Federal Government would purchase it. For the reasons already stated we oppose this section of the bill. In addition, we contend that the cost of purchasing the timber by the Government should be clearly spelled out. We do not subscribe to the administration's ducking the issue on the basis that the cost cannot be determined until it is known how many members of the tribe will withdraw and want to sell their land. We suggest that a cost be established on the premise that 60 percent withdraw, which we feel is considerably higher than the actual experience will prove out to be. At least we will know what amount of expenditure we are talking about. It is inconceivable to us that Congress will act favorably for Government purchase if it is a pig-in-a-poke proposition.

Section 3 of S. 3051 is meritiorious. We believe that a planned program should be spelled out, however, and not left to chance as was the case with the Management Specialists who were appointed by former Secretary McKay.

We are still of the firm conviction that S. 2047 is the best amendment of the Termination Act.

If the situation in this session of the Congress appears such that it will not approve 100-percent purchase (as proposed in S. 2047) by the Federal Government of these timberlands, then we suggest that consideration be given to an alternative of joint Federal Government and State of Oregon financial aid, on a loan basis, to the tribe to enable the Indians to set up their own timber raw materials enterprise on a self-supporting and continuing income basis.

We submit the following as the outline of an alternative:

98089—58—pt. 2——17

MAJOR CONSIDERATIONS

1. At the moment the Klamath Indian Tribe is widely split on the manner in which the timber on the reservation shall be disposed of under the termination agreement. Families are torn apart. Fathers oppose sons—brothers oppose sisters. A majority want to hold the timber under United States Government regulations and supervision but a strong minority want to sell and get out.

Therefore it seems to me that one of the first objectives is to cement the relations of the tribe and get them working together.

2. Any time between now and the early 1960's will be a poor period to sell timber for logging and woodpulp. After this period the value of stumpage and logs will increase and such increases will probably continue for at least 10 more years.

Therefore a second objective would be to provide a means for the Indians to hold their timber and to get the best value for it on a rising market rather than on a stagnant one.

3. The termination is being brought about too quickly. The Indians are not prepared.

Therefore a third objective would be to see to it that an orderly and realistic program of business-management training and silva-culture techniques be provided so that the tribe could carry on its own forestry program.

A SUGGESTED PLAN TO MEET THE AFORE CONSIDERATIONS

1. The Klamath Indian Tribe would establish itself as a proper business entity. As such it would go into the raw-material business of the lumber and paper industries. It would purchase all the timber rights on the reservation for a very nominal amount, sell licenses to log certain tracts each year on a bid basis, and pay a royalty to all its members out of the income derived from the sale of such licenses. It would reforest as tracts were cut off and the cycle would continue in perpetuity.

2. The tribe would borrow the money to purchase the timber rights on the reservation—one-half from the Federal Government and one-half from the State of Oregon on a bond issue, the term of the issue not to exceed 20 years and to carry a reasonable rate of interest.

3. A Forest Management Commission would be established to assist and work with the tribe in the following manner:

(*a*) One representative from United States Indian Affairs Bureau as a general overseer and chairman.

(*b*) One representative of United States Forest Service who would select the cutting tracts, advise on bids and supervise silva-culture program.

(*c*) One representative of the State of Oregon who would work in the field of industry development and utilization of resources.

(*d*) Two private consultants on full-time basis. One to work entirely in the field of finance and the other as an educator in business management.

(*e*) Five members of the tribe who would represent the interest of all its members in this venture.

4. The Forest Management Commission would function officially for not less than 5 years nor more than 10. Affairs would be reviewed by a competent Government body each year after the fifth. And as soon as the tribe was able to conduct its own business affairs efficiently and meet its financial obligations the Commission would be dissolved and the tribe would be on its own.

5. Each year the United States Forest Service representative on the Commission would select cutting tracts. These would be put up for licensed logging on a bid basis to any qualified contractor.

6. The successful contractor would agree to hire up to 70 percent Klamath Indians in his work crew, if there were Indians who wanted such work. Supervisory personnel would be at the discretion of the contractor but if an Indian were qualified preference would be given on that basis. It would also be expected that interested and qualified Indians would be trained in supervisory capacities wherever practicable.

7. Moneys derived from cutting licenses would be apportioned to meet the financial borrowings of the tribe, to pay administrative costs of the Commission and provide royalty payments to all tribal members in accordance with their original sale to the tribe.

8. As a tract was cut off the tribe would replant under the supervision of a United States Forest Service representative on the Commission. The cost of doing this would be borne out of the license income.

9. No land or mineral rights would be conveyed by the granting of cutting licenses.

CONCLUSION

This proposal is designed to make it possible for the Klamath Indians to retain their timber and sell it in an orderly manner on a rising market with continued earnings, indefinitely.

It also provides the basis on which the Indians could operate their own timber business. They would be trained in all avenues of the business.

The net result would be that all members of the tribe would receive some reasonable amount of money for their timber holdings now; they would continue to receive royalties as the timber was cut; they could earn money working for the contractor cutting the timber or be contractors themselves, and their land would be reforested for future generations.

EXHIBIT A

[Taken from the Oregonian, Portland, Oreg., January 26, 1958]

PROPOSED SALES OF TIMBER—KLAMATH INDIAN RESERVATION, OREG.

Sales of tribally owned forest lands and other types of property on the Klamath Indian Reservation will be made pursuant to requirement of Public Law 587 of the 83d Congress, as amended by Public Law 85–132 of the 85th Congress. The anticipated sales program will provide for sales of the forest property in economic timber units. If the present law is unmodified during the 2d session of the 85th Congress, the sales will start during the late summer of 1958 and altogether will include a total volume of timber that may be as much as 3 billion board-feet of sawtimber and 1,200,000 cords of pulpwood. The law requires that the sales program be completed and payment made to the beneficiaries on or before August 13, 1960. The sawtimber volume is predominantly ponderosa pine, with associated sawtimber species comprising a minor part of the total volume. The pulp volume consists primarily of relatively low-grade lodgepole pine. The sawtimber species will be sold in units of various sizes that will be classed either as reserve stand located in areas which have been cut over under a selection type harvest or virgin timber stand on areas which have not been cut over. The sizes of economic timber units will be classed as (1) small economic timber units will be those of less than 5,000 acres, (2) medium-sized economic timber units will be those between 5,000 and 20,000 acres in size, and (3) large economic units will be those exceeding 20,000 acres in size. The total sawtimber volumes for the economic timber units will range from a low of approximately 50,000 board-feet to a high of approximately 300 million board-feet. The sales will include both forest and timber located thereon. The terms of sale will be for cash payable within no longer than 90 days from the date of notice of acceptance of bid. Although purchasers will be urged to operate the property purchased on a sustained-yield basis, the sales will be made to the highest bidder regardless of the intent for which the purchase is made. The primary requisite of the sales program will be to obtain the highest price possible for the beneficiaries of the program. Further information concerning the sales program, including information on sizes of units, volumes of timber, characters of stands, allowable annual cuts under sustained-yield management, and rates of growth can be obtained from the Klamath Management Specialists, 139 South 7th Street, Klamath Falls, Ore. Advertisement of specific economic units will be made at a later date. Those desirous of being informed by mail of each offering should request the Management Specialists to include them on the mailing list. Dated this 20th day of January 1958, at Klamath Falls, Oreg. T. B. Watters, chairman, Klamath Management Specialists.

KLAMATH FALLS, OREG., *January 25, 1958.*

Senator RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: Thank you for your letter of January 17, enclosing a copy of Secretary Seaton's bill to amend the Klamath Termination Act. I appreciate your offer of the opportunity to appear and testify at the hearings of your committee. I regret that I shall be unable to appear as I am on my way to South America.

I have studied Secretary Seaton's bill carefully and inspite of the fact that I have always been in favor of private ownership in principle, I do not think Secretary Seaton's bill is the answer to the Klamath Indian timber.

In the first place to my knowledge no outright sale contract of a large block of timber with an enforcible sustained-yield clause, has ever been written. It is questionable if one can be.

In the second place to offer Klamath Indian timber in a few large tracts to very large operators who will guarantee to harvest it for 75 years on a sustained-yield basis, will bar all medium-sized and small operators who have been dependent on the Klamath Indian timber for some years past. Such medium-sized and small operators can never buy large tracts outright, nor is it economically feasible to harvest small tracts on a sustained-yield basis where such tracts must be purchased outright at or near a retail value.

Of course if Secretary Seaton's bill becomes the law and an attempt is made to carry out its provisions, I feel sure that we shall find that no large operators are willing to pay the appraised retail value for a large tract of timber to be cut on a sustained yield over 75 years. The Weyerhaeuser people said as much in their proposal at Portland when they suggested that the Government subsidize the difference.

I believe that it would be far better for the Department of the Interior to buy the Klamath Indian Reservation outright. Turn the timber over to the Forest Service to manage on a sustained-yield basis, as they are doing with our national forests in the same area at present. In the long run I feel that the Klamath Indian timber will prove to be a good investment for the Government. The Government is already saddled with a costly obligation to the Klamath Indians. It can be liquidated at far less cost in the long run by the outright purchase by the Government rather than by attempting to reduce the investment by piecemeal sales through sales contracts that will be very difficult to administer and enforce.

Very sincerely yours,

NELSON REED.

WEYERHAEUSER TIMBER CO.,
Tacoma, Wash., January 30, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR: Prior commitments unfortunately will prevent my attending the hearings you have scheduled for February 3, 4, and 5. We do have the following comments on the administration bill, some of which are meaningful only if considered in the context of the statement that we previously filed. It is now of record and will not be repeated here.

1. We reaffirm our statement that sustained-yield management is necessary to protect the resources and economy of the Klamath Basin. Consequently, we endorse the inclusion of such a requirement in the bill. The method for working out a sustained-yield management plan is, in our opinion, practicable. We recognize the need to tailor a management plan to the special circumstances of each unit.

2. In relying upon forfeiture as a sanction for enforcement of the sustained-yield requirement, the bill adopts the practice followed in long-term industrial forestry leases that limit the rate of cutting to the allowable cut. However, unlike a lease forfeiture, a fee forfeiture produces a windfall for the beneficiary of the forfeiture. We believe that a private purchaser should be entitled to a refund of that part of the purchase price allocable to the property that reverts. Without such a provision the sanctions would be so punitive that a court might be reluctant to enforce them.

3. The administration bill calls for a minimum payment equal to the realization value of the timber. We previously pointed out the substantial discount from retail prices that must be expected when such a large volume of timber is sold in a short period. This is highlighted by recent transactions in Oregon, in at least one of which a private firm sold a block comparable to the Klamath timber at a discount in excess of 50 percent.

It must also be borne in mind that the market conditions have deteriorated in the last year. A failure to take this into account will result in a realization value that is unrealistic.

4. Even if a realistic realization value is established for the timber, there is a real question whether any purchaser can afford to invest that amount in timber to be managed on a sustained-yield basis. Such a purchaser will also have to pay substantial carrying charges in the form of management costs and taxes, or even higher in-lieu payments if the purchaser is the Federal Government.

Only the prospect of a substantial return on investment will induce a purchaser to incur the risk of fire and insects, both of which have destroyed timber volumes in Oregon as large as the reservation. Rapid development of substitute building materials presents another risk that cannot be overlooked. Finally, a substantial discount must be made on account of the deferral of income.[1] This, of course, is in addition to the discount for risk.

5. Section 28 (h) reserves to the United States and its assigns the right to maintain and use roads on tribal lands. Presumably one of the elements of value that will be considered in determining realization value will be the improvements. Thus, the bill requires a private purchaser to pay the Indians for this element of value and make it available to the United States and it assigns without compensation. In addition, the bill fails to spell out any duty on the part of the United States to share in maintenance in the event that the private purchaser is using and maintaining the roads himself. We fail to see the equity of these provisions.

In summary, we are pleased that the administration bill recognizes the importance of sustained yield management, and that private industry will be accorded an opportunity to acquire these lands. In order to give any reality to this opportunity, a realistic sale price must be established, and the forfeiture provision must be tempered.

Very truly yours,

GEORGE H. WEYERHAEUSER,
Manager, Wood Produets Group.

OREGON WILDLIFE FEDERATION,
Roseburg, Oreg., January 29, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
Senate of the United States, Washington, D. C.

MY DEAR SENATOR: Will you please have this letter submitted as testimony before your committee in consideration of S. 3051 and S. 2047.

After considerable investigation by our conservation and legislative committees and in accordance with the current policy of the Oregon Wildlife Federation we have concluded that S. 3051 cannot be favored as a practical solution to the problems created by Public Law 587.

In the first place, this area represents a most important watershed to the people of Oregon and northern California. The future water production potential of these lands will in a short while outweigh any other potential value including timber. S. 3051 does not offer proper safeguard to protect this valuable resource. Secondly, plans set up under this bill to protect soil and water and to provide sustained yield would be a static thing. Once agreed upon and made a part of the conveying instrument, they would forever be tied to our current concept of conservation and timber management. This would be a monumental mistake. Ask the Forest Service if their concept of timber management has not been changed in the last 20 or 10 years. Even the most stupid of businessmen would not consent to having his administrative policy for the next 20 years established today.

Aside from purely conservation considerations, there are many obvious administrative and political shortcomings in S. 3051 which are most apparent to persons familiar with the western timber industry. For these reasons alone, we believe that passage of this bill would result in administrative and supervisory problems little short of impossible in solution.

The United States Forest Service has had many years of resource management experience. They are respected here for their ability to manage and sell forest products in a manner compatible with our economy. S. 2047, we believe, is the only proposal so far advanced that would dispose of these tribal lands in an orderly manner. We recommend favorable action on this bill.

Respectfully submitted.

CHARLES S. COLLINS,
Executive Vice President.

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[1] See p. 293, Analysis of Proposals for Implementing Termination for the Klamath Reservation, hearings before the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs, United States Senate, 85th Cong., 1st sess., on S. 2047.

PUCKETT & SCHERER,
Klamath Falls, Oreg., January 30, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: I have read all your bills and letters as I am very much interested as to how the Klamath Indian Reservation will be liquidated. I certainly give you people credit for trying to work out a solution to this problem.

If the sale is made to individuals or companies I do not believe it is fair to put any restrictions on harvesting the timber, as such restrictions would rule out all small operators and would not be fair to the Indians, as their timber would bring far less money. I fully believe the right solution, in all fairness to our State and counties, would be to place the reservation under the Bureau of Land Management. As you know, they now have approximately 50 billion feet of timber in Oregon and are certainly capable and qualified to handle this reservation. Just how to go about this—I would like you to check with the Bureau of Land Management there. I feel this reservation should either be on our tax rolls or handled like our railroad timber is handled, as Klamath County is going to have the burden for a long, long time. Again I would like to mention that I am against Federal purchase if it is under the Forest Service.

I would appreciate it if you would have the United States Forest Service send me a copy of their ruling or law that entitles them to use two log scale rules in the same State on pine and on fir, as in the last letter I received they failed to answer my question, and I believe it is unjust and unfair. It has been pointed out to me that it is their policy to use the long log rule on fir timber, but this is not the way it is. In some localities they use the long log rule for all species of timber. In other localities the short log rule is used on all species, and west of Klamath Falls the timber under our district is sold on a short log rule, but just across an imaginary line the long log rule is used. As you know, the scale rule is only an instrument that is used to determine the recovery of lumber from a log. I feel the same measurement should be standard, as the difference in the two rules will run as high as 20 percent.

I thank you for your interest in the welfare of our State.

Very truly yours,

O. K. PUCKETT, *Partner.*

BERKELEY, CALIF., *January 27, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: May I address you on the matter of disposal of the Klamath Indian Reservation forest and range lands. Hereinafter I shall propose a plan of Federal administration that may appeal to you as the author of a bill that provides for acquisition of these lands and their transfer to the national forest system. It applies only in the event Congress decides upon such a transfer instead of selling the lands to private companies.

The Klamath forest lands, like all other Indian forest lands, have been managed by the Indian Service foresters on such a high plane of technical forestry skill and at such a low cost as to make that management unique. The forestry is excellent. On the Klamath alone, pioneer work was done on cutting practice that recognize insect susceptibility, fire and insect protection, the silvicultural use of fire, and others. The costs of forest management have been well under 20 percent of the gross receipts. Naturally, the public will ask: If the Klamath forest and range lands are transferred into the national forest system, will the forestry be any better and the costs as low? At present, national forests cost 5 times as much to administer and the forestry is no better, even though the problems of ownership are simpler.

If Congress decides to purchase the Klamath forest and range lands and incorporate them into the national forest system, I propose that it create the Klamath area as a national forest distinct from all others in the system as to the business aspects. The Klamath Indian forest would be set up and managed just as though it were private property. The cost of the property would be set up for gradual amortization, as was done for the O. & C. forest lands. Instead of paying 25 percent of the gross receipts to the county in lieu of taxes, it would be taxed like any similar private property similarly situated. It would be operated to make a reasonable profit, which profit could be applied to reducing the national debt. It would remain solely a stumpage selling and managing agency, like existing national forests, i. e., it would not engage in lumbering

operations. It should have to pay interest on moneys appropriated by Congress, which appropriations would be regarded as loans for operating capital. Any appropriations made by Congress for purposes other than those made for managing the land, forest, forage, recreation and watershed resources, and for research on local, or intra-Klamath management problems, would not be chargeable to the management costs, but each of the resources would be managed as a business with proper allocation of costs. A fair charge should be made for recreation uses, and a charge for the value of the water should be set up as a credit in a separate account.

Books would be kept exactly as they would be kept in any well organized and managed private business with the usual array of accounts.

Road planning, building, and maintenance would be similarly handled as if the property were privately owned.

Such a setup would be, in effect, a "pilot plant" for showing or pointing out:

1. The problems that are peculiar to public administration and management and how they affect costs and income.
2. What the business aspects of sustained-yield management actually are.
3. Where the weak spots are that run up costs and how they can be strengthened.
4. What the reaction of the personnel would be.
5. What the reaction of the general public, particularly the stumpage buyers, would be (unreasonable local demands could be better countered when it is understood that the forest is not a philanthropic venture).
6. How forestry operations are influenced by market conditions, products variety, and cost-income relationships.
7. Whether or not a public property can be operated without a loss.

Thus, this special national forest would be a most valuable yardstick for management and costs.

I would hope that such a setup would prove that a public agency can do as well as a private agency in operating without loss, recognizing, of course, the usual ups and downs of business.

This forest could eventually become a training ground for supervisorial personnel of other national forests. This alone should be profitable to the taxpayer.

The United States is in actual timber business in a very big way. Except for the Indian forests and O. & C. forests the business has been in the red from the start. With an annual income of more than $100 million from national forest sales, there should certainly be something left over to apply on the national debt. Our record of having nothing left over is on credit to Congress, the Department of Agriculture, or the public.

If you think this proposal has any merit I hope you will call it to the attention of those of your Oregon colleagues interested in Indian forest land disposal.

Cordially,

EMANUEL FRITZ.

TULELAKE IRRIGATION DISTRICT,
Tulelake, Calif., January 27, 1958.

HON. HATFIELD CHILSON,
Undersecretary of Interior,
Interior Building, Washington, D. C.

DEAR MR. CHILSON: Attached is a letter we are dispatching to Senator Richard Neuberger with regard to the Klamath Indian Reservation termination program. As you note, we are in accordance with your recommendations, particularly insofar as you recommend that the timber resources should be sold to private ownership on a sustained-yield basis. We had previously testified similarly on S. 2047.

We are concerned over the material which you included in the last full paragraph on page 2 of your letter of January 13 to Vice President Nixon. In the second sentence you have used the comparative word "most important" and we would appreciate knowing the comparison you have made of the land in Big Klamath Marsh, particularly to similar lands in Louisiana and Arkansas, and to areas such as Harney Lake and Goode Lake. If you have compared with other areas we would apprcciate the factual basis of comparison. Also, in the third sentence you indicated that the nesting area is producing certain types of ducks. We would appreciate knowing your estimate of this production and the comparison with other areas of the basin or the flyway. Also, no reference is made to the recommendation in the United States Bird Refuge upper Klamath Basin report that this area should be a combination reservoir and wildlife refuge. Did the Department report consider this problem?

We would appreciate knowing if there has been any report prepared by the Service on the use of this marsh as a Federal refuge and on its possible integration into the overall Klamath Basin refuge program. If such a report has been prepared, please furnish us a copy.

Very truly yours,

SAM ANDERSON, *President.*

TULELAKE IRRIGATION DISTRICT,
Tulelake, Calif., January 27, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.

DEAR SENATOR: We appreciated receiving the material you sent us on S. 3051 on the Klamath Indian Reservation problem. We were pleased to note that this bill embraced the principles contained in our previous resolution by requesting that a positive effort should be made to place this timber in private ownership on a sustained yield basis.

We are concerned that the limitation of this sustained yield operation to 75 years is only postponing the time for adverse effects upon the upper Klamath Basin watershed and believe that the sustained yield operation should be in perpetuity.

We also disagree with the provision which would transfer the Big Klamath Marsh into a wildlife refuge particularly where the need for this development has not been demonstrated. We are writing a letter to the Department of the Interior on this point and would appreciate your considering their reply.

We would appreciate your including the resolution which we passed on S. 2047 in any consideration of S. 3051.

Very truly yours,

SAM ANDERSON, *President.*

THE AMERICAN FORESTRY ASSOCIATION,
Washington, D. C., January 29, 1958.

Senator RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: Within a few days the Subcomittee on Indian Affairs will again tackle one of the most complex problems of governmental stewardship, i. e., how to terminate Federal supervision over the Klamath Indian Reservation in a manner that will simultaneously (1) protect Indian interests, (2) insure continued productivity of the forest, and (3) maintain the dependent economy.

This subject has received the thoughtful attention of the American Forestry Association. On September 29, 1957, the association's board of directors recommended "that disposal of the timberlands in the Klamath Indian Reservation should be made under such conditions as will assure sustained forest production and maximum permanent contribution to the economy of the area, including the economy of the Indians themselves."

The association is opposed to any disposal of the forest which would result in its liquidation and desolation. This concern for the future management of forest resources has been a basic tenet of the American Forestry Association since its inception in 1875.

The association's board of directors will not meet again until February 24, 1958. They would be very pleased to receive a report that the Subcommittee on Indian Affairs, under your able guidance, has devised a just and sound solution.

Very truly yours,

KENNETH B. POMEROY, *Chief Forester.*

KLAMATH INDIAN RESERVATION

RESOLUTION

Whereas, the directors of the American Forestry Association on September 29, 1957, at Madison, Wis., resolved "that the disposal of timber lands of the Klamath Indian Reservation should be made under such conditions as will

assure sustained forest production and maximum permanent contribution to the economy of the area including the economy of the Indians themselves;" and

Whereas the Department of the Interior has now submitted to Congress a proposal (S. 3051) which, if adopted, will assure the achievement of these objectives; and

Whereas a very difficult, many-sided problem has been answered by the Department of the Interior's proposal: Now therefore be it

Resolved, That the American Forestry Association endorse S. 3051.

THE FIRST NATIONAL BANK,
Portland, Oreg., January 31, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Please excuse my delay in answering your wire of January 17 and your letter of the same date. They came at a time when we were quite preoccupied with the annual stockholders meeting of the bank and the activities incident thereto. Only now am I beginning to catch up with some of my correspondence.

It will not be possible for me to be present at the Senate committee hearing, which I regret very much.

Your statement, that of Secretary of the Interior Seaton, and also S. 3051 have had my careful perusal.

I've concluded not to make a further statement at this time. At the hearing conducted in Portland I said that if I could think of any way in which private enterprise could do the job of converting the timber stands belonging to the Klamath Indians, that would be preferable. Also that I could think of no other way than for the Federal Government to acquire the Indian forest lands.

That is the purpose of your bill. Secretary Seaton's bill, which you introduced by request, takes another approach. I do not feel competent to make an intelligent statement concerning the Seaton bill. In order to form a considered opinion, participation in a discussion concerning the bill would be advisable. To take a position without the benefit of discussion with interested parties certainly would not reflect mature judgment on my part.

It might be possible that at some later date, after further testimony has been submitted and an opportunity has been had to review it, I would be in a position to make such a statement. It is to be sincerely hoped that a way can be found to protect the Indians, the timber industry, and the State of Oregon.

Sincerely yours,

C. B. STEPHENSON, *President.*

THE BEND BULLETIN,
Bend, Oreg., January 31, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: I regret that it will be impossible for me to appear at the subcommittee hearings February 3 to 5 on S. 3051 and S. 2047.

I would, however, like to express my opinion on S. 3051. The subcommittee already has my views on S. 2047, given at the Portland hearings.

In my opinion, S. 3051 is an unrealistic attempt to answer the most serious economic and social problem to face the State of Oregon since it was admitted to the Union.

The provision which calls for sale to private ownership is unrealistic in that it has mutually exclusive provisions. I believe that no private operator would be able to buy this timber under the terms outlined by the Secretary, and pay for it a price which would be fair to the Indians.

There have been objections to the legal requirement of sustained-yield management provided for in this bill. I do not agree with these objections, as long as the buyer's responsibility is clearly outlined before he purchases.

It is my personal belief that if S. 2047 can be passed and signed by the President it is a much better solution to this problem than S. 3051.

Sincerely,

ROBERT W. CHANDLER.

[The Bend Bulletin, January 14, 1958]

SEATON'S PROPOSAL

Secretary of the Interior Fred Seaton has made his proposal for amending the Klamath Termination Act. Like some others, it is long on idealism and short on practicality.

(Actually, we shouldn't call it the Seaton proposal. We wouldn't, except in the interests of brevity. It is an Interior Department proposal.)

"The Secretary, in a message to House Speaker Sam Rayburn, recommended that forests on the Klamath Indian Reservation be acquired by the Federal Government, unless the forest can be sold to private purchasers who would agree to follow sustained-yield management.

"Under present law, part of the forest must be sold to pay members who withdraw from the tribe. Under the amendment proposed by Seaton, that part of the forest would first be offered for sale on a competitive market at not less than its 'appraised realization value,' and purchasers would have to agree to sustained-yield management.

"Seaton's proposal suggests that if the forest cannot be sold on this basis, then it would be purchased by the Federal Government for its appraised realization value and dedicated to use as a national forest."

Perhaps the first part of the Interior suggestion—that the forest be sold on a competitive market at not less than its "appraised realization value" to private operators—is a sop to the free-enterprise-or-nothing crowd.

It certainly is far from realistic. The tentative appraisal of the tribal forest is around $113 million. No one, we repeat, no one, is going to be able to pay that kind of price for the forest and operate on a sustained-yield basis.

Any purchaser, before agreeing to operate on that basis, would want to discount the short-term value of the forest by 50 percent or more.

Which, under the Interior proposal, would preclude private sale of any sort.

Federal purchase, as suggested by Senator Neuberger and advocated by him for some time, is the only answer under the present law or under any suggested amendments which have been made public to date.

The only other answer is a drastic amending of the Klamath Termination Act, an amending which would delay the effective date of the act for a period of from 10 to 15 years.

If, as seems likely now, it will be impossible to get Congress to provide funds or authorize bonds for the purchase of the forest lands of the Klamath Reservation, the course mentioned above is the only one left. And this will come under fire from a minority of the Klamath Tribe, which seems to have been hoodwinked by some of its leaders.

It will take from 10 to 15 years to provide for an orderly liquidation of the tribal assets—mostly timber—and teach enough members of the tribe to handle their assets wisely as to avoid one of the biggest Indian scandals in the Government's long history of mismanagement of Indian affairs.

CAR-AD-CO COMPANY,
Klamath Falls, Oreg., January 31, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: We appreciate very much receiving the information sent in regard to the Klamath Termination Act, because it is certainly a problem close to our hearts. We recognize S. 3051 as somewhat of a compromise to certain elements of our industry and appreciate, at least, the recognition thus given. However, it is certainly not the answer.

In our opinion, it is highly doubtful that private capital would desire to enter into such an agreement as offered in S. 3051. An investment of this magnitude, the long duration of the agreement and the inability of the private interest to recover or safeguard his investment, as he would deem necessary, do not make this proposal very appealing to private capital. Thus if there are no takers, S. 3051 provides for governmental ownership and, in essence, we are back to S. 2047.

Our objection to S. 3051 is not that there may not be any private buyers, but to the fact that there may be some private buyers. The proposal offers large areas for sale (in the Secretary's letter, he noted 10 to 15 units) thus completely eliminating the small lumber producer for any consideration. Under Forest

Service control, small units (say up to 5 million feet) have, in the past, always been available as well as sales embracing much larger footages. Thus in the past, both large and small operators have always had at least an opportunity to avail themselves of a sale which is compatible to their size. S. 3051 allows only the possibility of the very large to get larger and the complete demise of the small operator in this area. We think it unwise, even disastrous, to have a law that would allow such as a possibility.

In further defense of the small operator, one cannot but feel that the economic importance of this small operator has been vastly underrated. In the whole, 10 mills cutting 20,000 feet per day, will employ more men than will 1 mill cutting 200,000 feet per day. In our Klamath area, one is prone only to count the larger mills as lumber producers and completely ignore the small producer and his effect on the economy of this area.

To those of us who are close to this problem, the solution is so obvious that one wonders at the fevor that has been caused. The Forest Service has both organization and trained personnel to administer forest lands. Why circumvent the practical and inevitable. We, as lumbermen, have had our differences with the Forest Service in the past, and in all probability will have differences in the future. But this fact does not alter the obvious.

One further point of comment. In forest planning, the larger the area the more practical, realistic and workable will a sustained yield plan be. To divide the area into 10 to 15 sustained yield producing areas will divide the effectiveness and workability of each program. It is highly doubtful in our minds that a sustained yield program (based on the 10 to 15 units) will achieve the conservation, water control, and economic stability that is so badly needed in this area.

Yours very truly,

RICHARD C. MOEHL, *Assistant Manager.*

SOUTHERN OREGON CONSERVATION & TREE FARM ASSOCIATION,
Medford, Oreg., February 3, 1958.

Senator RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: Your kind wire of January 31 reached here late Friday afternoon, so it was rather difficult to get anyone back to Washington for the Indian Affairs Subcommittee hearing on the Klamath question, by the 3d, 4th, or 5th of February.

Of course, you realize that an association such as ours must have an expression of opinion by its members before we can take action on anything that is controversial, so it is rather an involved program to get the thing set up. However, we do deeply appreciate your wire.

I believe that it is safe to say that all of our members want the Klamath timber question settled in a way that will give the Indians a reasonable price for their timber, and yet at the same time will very definitely protect the pine forests of their reservation from complete exploitation. At the present time we very much fear that unless the present existing bill is amended, or a new bill introduced covering these matters, that exploitation of the stand will take place and it will be slaughtered. As you probably know, unless the pine in that area is very carefully harvested under a very strict sustained yield program it is almost impossible to get regeneration. With proper forest practices regeneration comes along in good style, but it must be done under definite forest practices.

The settlement of this problem between the Indian needs and wants, and the actual needs and necessities of good forestry on their land is, of course, very very definitely a problem, and one which will take a considerable amount of study. It would seem to me, and I am sure many other feel the same way, that good sense would indicate a moratorium for 2 more years before a definite bill is passed covering the Indian lands on the Klamath Reservation, and during that interim, a committee composed of foresters and Indian people should study various plans and the financial aspects of each, and then submit a joint program that will do the very best job for both parties; namely, the Indians and the forest lands. I believe that this type of suggestion has considerable merit, and I hope that some consideration will be given to it.

Again, our sincere thanks to you for wiring us, as we shall always be glad to be informed of these matters. Whether or not we can always attend meetings remains to be seen. Trips to Washington have a way of taking quite a bit of

money, and a small association, as you probably know, is not overly endowed with funds at times.

Very truly yours,

LEWIS L. SIMPSON, *Secretary-Manager.*

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.,
Washington, D. C., February 21, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: I have been authorized to express to you the views of the Association on American Indian Affairs on the proposed amendments to the Klamath Termination Act.

Although you were not a Member of the Congress in 1954, you may know that during the hearings on termination legislation held that year, this association repeatedly expressed its concern that these proposals were ill conceived and hasty. We were particularly disturbed by the fact that in the case of the Menominee and Klamath Indians, termination was enacted by way of a tie-in sale with per capita payments.

As the years passed we were interested to note that our misgivings as to Klamath termination are now shared by the management specialists, respected businessmen appointed by former Secretary of the Interior Douglas McKay, who surely do not fall into the categories of "do-gooders" or "professional Indians."

As you have pointed out so well, the problem before Congress now is threefold: (1) to provide the maximum reasonable price for the Indians, rather than a fire-sale price; (2) to preserve the Klamath Forest, in the interest of the Nation as well as of the population of the area directly dependent on the forest, which includes, of course, the Indian population; and (3) to provide for a distribution of funds in the best interests of the Indians and their community.

We agree with you that S. 2047 provides a desirable solution to the first two aspects of the problem. We also agree with your view that this bill leaves the third aspect unsolved. Yet solution of the third aspect of the problem is vital, more important by far than increasing the price to be paid for the forest. It will do little good to increase the distribution by 25 percent or more if the payments will not provide any lasting benefits for the community.

We believe that the record before your subcommittee fully covers the problems relating to the effect of the present law on the future of the Klamath Forest, on the economy of the area, and on the price to be received by the Indians as a result of the liquidation of tribal assets. The record also indicates that the overwhelming majority of the Indians now residing on the Klamath Reservation plan to stay there but that the social conditions of the community are most deplorable. The record does not indicate, however, what improvements can and should be made to create a healthy community life on the reservation.

Under the present law the Federal Government is merely to abdicate and leave the Klamath community in a morass. It has been suggested that the void left by the withdrawal of the Federal Government might be filled by banking institutions which would take over as trustees for the assets of tribal members. We do not believe that this course is an adequate solution. What is needed is not only sound management of community assets but, above all, a program for community development.

We do not believe that the problem of community development on the Klamath Reservation has been studied sufficiently. We see no evidence of any plans to improve the social climate. We see only a dismal future of a brief spurt of affluence followed by a further decline both socially and economically for the entire Klamath community.

On the basis of the present record, we respectfully recommend that your subcommittee approve the fourth proposal submitted by the Klamath Executive Committee, as stated in its letter to you of November 12, 1957, calling for a 2-year postponement of termination, during which period the problem is to be studied by a board which would include representatives of the tribe, the Federal Government, the State, and the public.

Sincerely yours,

LAVERNE MADIGAN,
Executive Director.

NATIONAL WILDLIFE FEDERATION,
Washington, D. C., February 27, 1958.

Hon. RICHARD L. NEUBERGER,
Chairman, Indian Affairs Subcommittee,
Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington 25, D. C.

DEAR SENATOR NEUBERGER: The National Wildlife Federation has considered proposals for disposition of lands of the Klamath Indian Tribe in Oregon as provided in S. 2047 and S. 3051.

In view of the desirability of retaining valuable timber-producing lands of the Klamath Tribe under sustained-yield management, and indications that private purchasers will not be able to acquire more than a few of the present sustained yield units for long term management at the appraised value under the provisions of S. 3051, it appears that S. 2047 provides the most direct and practical means of assuring the future productivity of these lands. The national-forest sustained-yield program, under which these lands would be placed through the provisions of S. 2047, is best suited under existing circumstances to provide for protection of these lands for the benefit of the local lumber industry. As a part of a national-forest jurisdiction, lands under this bill would also be available for public recreational uses and other purposes consistent with public need.

The National Wildlife Federation is gratified that both S. 3051 and S. 2047 provide for addition of approximately 70,000 acres of the present Klamath Indian tribal lands to the national wildlife refuge system under the jurisdiction of the United States Fish and Wildlife Service. These lands are of vital importance to migratory waterfowl in the Pacific flyway.

We urge your committee and the Congress to give favorable consideration to S. 2047 at the earliest possible date so that it can be enacted during the present session of Congress.

Very truly yours,

STEWART M. BRANDBORG,
Assistant Conservation Director.

MEDFORD, OREG., *January 30, 1958.*

Hon. RICHARD L. NEUBERGER,
502 New Fliedner Building,
Portland, Oreg.:

Our Democratic Central Committee wholeheartedly endorses Senate bill 2047, regarding Federal acquisition of Klamath forest. A combination of your bill and another to be presented by Mr. Seaton seems advisable.

JAMES A. REDDEN, Jr., *Chairman.*

KLAMATH FALLS, OREG., *February 1, 1958.*

Senator RICHARD L. NEUBERGER,
Chairman, Senate Indian Affairs Subcommittee,
Senate Office Building, Washington, D. C.

The Klamath Falls Citizens Committee submitted petitions signed by 430 people at the hearings before your Subcommittee on Indian Affairs held in Klamath Falls on October 1, 1957.

We feel that the statements made in this petition represent the thinking of at least 90 percent of the people in the Klamath Basin and adjoining areas and we sincerely hope that they will be given serious consideration during the hearing now being held.

We appreciate very much the tremendous effort you have made to correct the glaring inequities in Public Law 587 and we are willing to do everything we can to assist you.

KLAMATH FALLS CITIZENS COMMITTEE.

PORTLAND, OREG., *February 1, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.:

Retel hearings on Klamath question. In general, our industry favors private land ownership to maximum practical extent. However, because of involved Klamath situation and because Management Specialists report is not yet available, our Oregon committee has not finally decided on its recommendations. Further consideration probable at our March meeting but that apparently will be too late for your hearing. Thanks for invitation to appear.

ERNEST L. KOLBE,
Western Pine Association.

LAS VEGAS, NEV., *February 2, 1958.*

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Senate Office Building, Washington, D. C.

Have long pleaded for Federal purchase of Klamath marsh and timberlands. S. 2047 accomplishes purpose without any ifs or gimmicks. However, if compromise measures are needed to insure passage S. 3051 merits consideration. Despite possible patchwork ownership, main objectives of preserving the marsh and orderly timber management would be achieved.

Regards.

VIRLIS L. FISCHER.

KLAMATH FALLS, *Oreg., February 4, 1958.*

Hon. RICHARD L. NEUBERGER,
Washington, D. C.:

Re your letter January 20th on proposed bill by Secretary of the Interior on Klamath termination. Mr. Shaw away until March. Regret we are unable to convey his preference.

MODOC LUMBER CO.,
E. W. MALONEY, *Forester.*

MEDFORD, OREG., *February 3, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.:

From present hearings sincerely hope Congress enacts legislation to adequately protect legitimate rights and expectations of Klamath Indian people, those who do and do not desire liquidation and also adequately protect community, State and Federal interests. Only through Federal acquisition can sustained yield of ponderosa forest be assured which offers large and small operators equal opportunity.

MARIE M. BOSWORTH.

KLAMATH FALLS, OREG., *January 30, 1958.*

Senator RICHARD NEUBERGER,
United States Senate, Washington, D. C.:

The Klamath County Land Use Committee recommends that the forest resources of the Klamath Indians be sold only on terms of sustained yield. This would protect the economy of Klamath County and the entire Klamath River Basin against the flagrant destruction of its very valuable water resources.

GEORGE STEVENSON,
Chairman, Klamath County Land Use Committee.
FRANK JENKINS,
Chairman, Subcommittee on Natural Resources.

LEBANON, OREG., *February 12, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building, Washington, D. C.:

Women's State Missionary Board in behalf of over 4,500 members of Oregon Christian churches urge delay in sale of Klamath tribal lands.

Mrs. EDNA L. BURKE, *Executive Secretary, Eugene, Oreg.*

CHILOQUIN, OREG., *February 7, 1958.*

Re Klamath Termination Act.

Hon. RICHARD L. NEUBERGER,
United States Senator, Senate Office Building,
Washington, D. C.

DEAR SENATOR: As you know, I am an enrolled member of the Klamath Indian Reservation and chairman of the Klamath tribal executive committee of the Klamath Indian Reservation, and that the delegates are now in Washington appearing before the congressional committees concerning your bill now in Congress, and I wish to tell you personally, on my own behalf, that I personally support your bill now pending in Congress, S. 2047, which provides for Federal purchase of the assets of the Klamath Indian Reservation, and I wish to have you know that I feel this bill will best serve the interests of the Klamath people.

I was unable to journey to Washington to attend the hearing on account of illness but want to be on record as saying that I am in favor of what you are doing.

You have my permission to use this letter for the Congressional Record if you so desire.

I am,
Yours very truly,

DELFORD LANG.

KLAMATH FALLS, OREG., *February 8, 1958.*

Senator RICHARD L. NEUBERGER,
Chairman, Subcommittee on Indian Affairs,
Washington, D. C.

DEAR MR. NEUBERGER: I have read carefully the Secretary of the Interior's proposed bill to amend the Klamath Termination Act, and introduced by you "by request." I feel that the basic principals of both the Department's S. 3051 and S. 2047 introduced by yourself, are somewhat similar in that they both advocate a Federal purchase, however I felt that the Department waited too long in making their intentions known and that this prevented a careful study by persons interested in the Klamath situation.

I have not changed my position and still feel that the principals of a Federal purchase is still the most logical solution to the problem to date, the testimony of the majority of the Klamath tribal delegation will confirm our thinking at home.

Instead of an election to withdraw or remain (as provided in the present law, Public Law 587, as amended, under some sort of a legal entity) why not let those that wish to withdraw do so, but pay them off according to their Klamath tribal blood, this would be in conformity with a corporation dividend distribution, after all in a corporation you would only be entitled to the amount of shares you hold in that corporation, our situation would be somewhat similar say that a fullblooded Klamath wanted to withdraw, for practical purposes we will use round figures to illustrate, 2,000 tribal members and an appraisal price of $120 million, this fullblood would be entitled to a 100 percent distribution or $60,000, and a half Klamath would be entitled to 50 percent or $30,000, and so forth, those that chose to remain would be permitted to do so under Federal trusteeship, and a date set by the United States Government and the tribal members remaining, on a date when Federal trusteeship can be lifted, this would be

beneficial to both the Federal Government and the remaining members. This plan in opinion would encourage many tribal members to remain, and could possibly reverse the 70 percent figure of those that might withdraw, and assure keeping the reservation intact and also assure the sustained-yield cutting of our timber resources.

I would like to register my protest and ask that my name be stricken from the petition inserted in the record by Mr. Wade Crawford, on the grounds that I was misled and misinformed of the contents of the petition, at the time of the signing I was led to believe that this was in opposition to the 20-year bond proposed by Representative Al Ullman only; and the opposition was only to the nature of the bonds (nonnegotiable and nonassignable) and that this was my only opposition to Mr. Ullman's bill, I feel that 50 to 60 percent of the members signing this petition were of the same opinion. I know for a fact that all those signers up to the time that it was presented to me, that 40 percent of those signed up, would much rather have the law, Public Law 587, as amended, repealed rather than have it carried out as written.

In closing I would like to thank and compliment you on the way that you are conducting this complex situation, knowing that this problem is almost unsolvable. I would like to have this letter made part of the record.

Sincerely yours,

ELNATHAN DAVIS.

STATEMENT OF HIRAM R. ROBBINS, MEMBER, KLAMATH TRIBE OF INDIANS

I, Hiram R. Robbins, Sprague River, Oreg., being a member of the Klamath Tribe of Indians of Oregon who has appeared before various congressional committees concerning Indian legislation:

Submit the following plan modifying (using the word in its highest sense) Public Law 587, solving and preserving the people's welfare and resources of the Klamath Indians of Oregon, and the welfare of the people of the surrounding area, and of the United States.

SOLUTION TO KLAMATH TERMINATION PROBLEM

That the Federal Government withdraw completely from the reservation under the following submitted plan:

1. Qualified Indians to take over all salaried positions under their own management except two top management positions, these top positions to be filled by an Indian Council or board of directors securing competent outside personnel.
2. The tribal government and management to handle all sales of timber on the basis of a sustained-yield requirement, and to promote earliest reasonable development of water, mineral, surface, subsurface, and other resources.
3. Property within reservation boundary to be subject to taxation.
4. Tribal members to retain all present hunting and fishing rights on tribal property, subject to minimum regulation from outside authority.
5. The Indians to become United States citizens with all the rights and responsibilities appertaining thereto.
6. The matter of withdrawal of members from the tribe to be handled by the tribal government.

NEED FOR NEW SOLUTION TO KLAMATH TERMINATION PROBLEMS

1. Proposed solutions aim at conservation of the natural resources, but do not conserve the human resources, as witness:

(*a*) Public Law 587, enacted in 1954, made it possible for many of the Indians to gain easy access to large sums of money, resulting in situations that have raised the enrolled tribal death rate of those in the prime of life perhaps 50 to 60 percent higher than the national average.

(*b*) Under present and currently proposed solutions the human resources are not given proper consideration. Indians taking their equity in cash would, in many cases, soon have it spent and be reduced to poverty and dependence upon charity, either public or private, many of them becoming public charges for the rest of their lives.

(*c*) There are now no provisions under existing plans offered that will get the Indians back into a situation where self-reliance and initiative will restore their morale. They need to be offered a situation where they are allowed to secure employment to support and raise their families. The present

system of civil service control over these people tends to appear as a dole from the Government instead of what it actually is, division of income from tribal timber and other assets.

2. Proposed solutions do not conserve for the Indians (to whom they now belong) full benefit of the natural resources:

(*a*) Present proposals effect conservation of timber, but seem not to consider water, mineral, surface, subsurface, and other resources.

3. Proposed amendments to Public Law 587 would apparently leave much of present tribal property in a nontaxable status, thus causing continued hardship, taxwise, on Klamath County, which already has much nontaxable national forest land within its boundaries.

VALUES OF THIS SOLUTION

(All of these points are presented on the assumption that whatever is best for the people involved and the land is also best for the Nation as a whole.)

1. It would give to the Indians full control of the land and resources that by all rights belong to them.

2. It would put the Indians in a position to work out their own future by their own labor and management, thus providing them the opportunity to maintain self-respect and self-reliance through relief from a system of Federal supervision as maintained in the past.

3. It would materially lessen the probability of many of them becoming public charges, as would likely happen under other plans submitted.

4. It would protect the timber resources of the reservation from unwise cutting practices and depletion.

5. It would conserve to the Indians their proper rights in all resources of the reservation.

6. It would guarantee to the whole Klamath Basin the following:

(*a*) Continued proper regard to control of water runoff, thus conserving power projects, irrigation, and so forth, that are now dependent upon proper management of the reservation land area.

(*b*) Continued sound economic practices and development in the area, thus favorably affecting the area's economic well-being and also that, indirectly, of other areas.

7. It would benefit Klamath County through:

(*a*) Increased tax revenue because of reservation lands being subject to tax.

(*b*) Probable lower public welfare costs.

(*c*) A stable economy supported by proper management of water runoff, by selective cutting of timber.

(*d*) Offsetting Federal purchase of Klamath Marsh for a national wildlife refuge, by placing the Marsh on the county tax roll, with probabilities of its development for recreation, hunting, and fishing.

(*e*) Effecting a program toward early development of mineral and other Reservation resources.

8. It would benefit the Federal Government through:

(*a*) The increase in tax returns.

(*b*) Reduction in Federal expenditure through lessened expense in the Indian Service of the Department of the Interior.

PRINEVILLE, OREG., *February 7, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: In reading today's Portland, Oreg., Journal on the hearings at Washington, D. C., concerning the appraisal of assets of the Klamath Reservation I was both shocked and amazed at your proposal to repeal a portion of the 1954 law permitting tribal members to withdraw and of turning the reservation over to the tribe.

We tribal members would indeed be in a worse predicament than the one in which we are presently involved if this were to happen. Exactly whom did you have in mind to take over this tribal management when you suggested it? Surely you couldn't expect the tribal representatives and delegates to handle so complex a problem. I am definitely opposed to any such fantastic plan.

You have worked closely with these men and seen how they have thus far handled our tribal affairs. You know of the friction, dissension and bickering that keeps them from any constructive level-headed thinking. On every issue presented there has been a seesawing back and forth, then they have agreed to measures and bills which they later stated they wouldn't have approved if they could do it over.

If any such plan was adopted as a last resort we would need the assistance of a staff of outside, impartial officials with qualifications to deal with a variety of problems. It could never be handled satisfactorily through any local group within the tribe.

Having to give up our valuable resources under the present laws S. 587 is bad enough without repealing that for less favorable conditions.

I implore you to reconsider any such thought that the reservation should be turned over to the tribe.

Mr. Neuberger, why does the Federal Government wish to terminate their supervision over the Klamath Indians in the first place? You are a sponsor and author of this Public Law 587 under instructions, I presume, but can you honestly and sincerely state that you feel these Indians are ready to face termination?

There are still many questions concerning termination that I would like to have answered although I have read and studied all the material compiled in the hearings record, however, I won't take the time to list them all now.

My complaint is that this legislation has been too rapid. I honestly don't believe the majority of the members understand it thoroughly. We are soon going to be asked to cast a vote as to whether we wish to remain in the tribe under a management plan or withdraw and be paid off. So far the management plans are still in the planning stage or at least I haven't the faintest notion of its provisions and I'm sure the other members don't either. How can we be expected to know which plan would suit us better when they are not available for us to study before voting?

Supposing the majority of the members now favor neither plan and oppose termination since they have had time to study and weigh these plans. I believe a poll should be taken immediately to determine exactly how each person feels about these proposals. It should be conducted in a house-to-house canvass and by mail to all the members living off the reservation. You keep referring to a survey conducted by the Stanford Research Institute on which they base their claim that approximately 70 percent of the tribal members favor withdrawal. When was this survey made? Was this survey made in the early stages when the termination plan was first being rumored about the reservation or does it represent a recent survey?

There is too much at stake for them to be asked to vote on these matters without being fully informed. It appears to me the Indians are being forced into accepting termination.

Exactly what are the plans for the people now residing on the reservation after termination is completed?

It would be easy for me to vote in favor of termination and to withdraw from the tribe because I don't own an allotment of land on the reservation and have lived off the reservation for approximately 18 years, however, my concern is for the members living there that own land and property. Surely, we could all use that money if it was paid directly to us as individuals to use to good advantage but if it is held in trust and paid to us in various small amounts over a period of years we will be in the very same position as we are with the present per capita. I also strongly resent the implication that I am incompetent to handle the affairs of myself and my children as implied by the setting up of these trusts and guardianships. I do realize the necessity of these protective measures to help those that need it. However, they are going to need further help than they have received thus far to enable them to take their place in society. This will take time and training. Has anything been done toward helping them in this manner?

It would indeed be wonderful for the Klamath Indians to become an independent, self-supporting, respected, law-abiding group of citizens and I firmly believe they will in due time. However, they will have to work to attain this status and it will take more time than they have been allowed under the termination plan.

Once more before closing I will ask you to spare the Klamath Indians the folly of letting them try to manage the reservation under their own planning.

If Public Law 587 has to be carried out then I would also be in favor of

Federal purchase in order for the members to receive their full and just share of tribal assets.

There is so much more I would like to include here but as time is of the essence I shall conclude.

Yours truly,

FLOREINE W. THRASHER.

THE CALIFORNIA OREGON POWER CO.,
Medford, Oreg., February 14, 1958.

Senator RICHARD NEUBERGER.
Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: Pursuant to our request that the record of the hearings of your subcommittee on the Klamath Indian Reservation be held open until February 20, we are submitting the following general proposal. We should state at this point that we favor the purchase of the Klamath Indian Reservation by the Federal Government. If legislation to accomplish this purpose fails to receive affirmative action by the Congress, we ask that legislation to implement our proposal be considered as a substitute for Public Law No. 587. There are seven problems that should be considered in legislation for termination of the Federal Government's custody of the Klamath Tribe.

1. To provide funds to pay the tribal members who wish to withdraw.
2. To preserve the tribal heritage for those who wish to remain.
3. To preserve the timber resources in sustained yield.
4. To preserve the tribal lands adapted to wildlife preservation in their present state.
5. To protect the watershed covered by the reservation.
6. To provide a means whereby the tribal lands would continue to be administered by a trustee.
7. To provide trusteeship for those members who are minors or incompetent.

To meet these needs, the following proposal is made:

(*a*) That portion of the tribal lands classified as best suited as a wildlife refuge be purchased by the Federal Government to be administered by the Fish and Wildlife Service.

(*b*) That the Klamath Tribe organize as a legal entity. That the Federal Government provide funds sufficient to pay in full those members of the tribe who elect to withdraw on the basis of their equity in the appraised price, these funds to be repaid to the Federal Government over a period of 50 years, without interest, at the rate of 2 percent annually.

(*c*) That an independent trustee be selected on a competitive basis, subject to approval by the Government, to act as trustee of the tribe until such time as all advances by the Federal Government have been paid in full. The trustee should perform the following functions:

1. Operate the timberlands owned by the tribe on a sustained-yield basis. Sell the annual allowable cut from these timberlands to the highest bidder. Make contracts for long-term sales, or in any other manner develop the highest return in dollars to the tribe. In no case is the return to the tribe to be less than the appraised value of timber offered for sale.
2. Develop the mineral resources of the reservation to bring the highest possible dollar return to the tribe.
3. Lease or otherwise develop the non-timber-producing lands of the reservation to obtain the highest possible dollar return to the tribe.
4. Collect and disburse the funds arising out of the management of the reservation, making payments for—
   (*a*) local taxes;
   (*b*) annual payments to the Federal Government: and
   (*c*) payments to the tribal members entitled to payment.

The above general proposal has the following advantages:

1. When compared to Federal purchase at the appraised price, the cost to the Government of interest-free money for 50 years would be less to the Government than perpetual ownership for the reason that the return on the Federal investment if the tribal assets were purchased at the appraisal price based on the present allowable cut would be approximately 2 percent per year.

If taken in as Forest Service lands, the Forest Service would pay 25 percent of the value of the annual cut to Klamath County in lieu of taxes, which would reduce the net return to the Federal Government to a rate of 1½ percent. from which a further deduction for management expense would be made. This would be

perpetual. Under the interest-free proposal, and assuming that 50 percent of the tribe would wish to withdraw, requiring a Government advance of 50 percent of the appraised price of the reservation, the Federal Government would subsidize the tribe in the amount of $45 million over a period of 50 years, assuming the Federal cost of money to be 3 percent. Under full ownership by the Federal Government, again using 3 percent as the cost of money, the Federal Government would, during 50 years, subsidize the Indian lands acquired in the amount of $60 million, which represents the difference between net income and net cost. These are approximate figures, of course.

2. The proposal would satisfy the tribal members who wish to withdraw as well as those who wish to retain their heritage.

3. The timber resource would be operated under the sustained-yield principle for the benefit of the local area, the State and the Nation.

4. Would provide, through an independent trustee, a more flexible method of operation through which desirable contracts could be made in support of the investment necessary if full utilization of the timber resource is to be accomplished, which would benefit both the tribe and the area.

5. At the end of 50 years, the Federal Government would be paid in full, the trusteeship terminated, and the property returned to the tribe free of all indebtedness.

6. The Federal Government's present trust responsibility would be terminated immediately.

Very truly yours,

FRANK JENKINS.
GLENN L. JACKSON.

WILKINSON, CRAGUN & BARKER,
Washington, D. C., February 19, 1958.

Re S. 2047.

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am writing with respect to certain statements made by Mr. Wade Crawford when he testified before your subcommittee considering S. 2047 and S. 3051 on February 7. I do this since I believe some of Mr. Crawford's statements are inaccurate, and I believe the record should be corrected. For that purpose, I ask that this letter be included in the record.

Mr. Crawford testified, in substance, that the argument that Public Law 587 amends or abrogates the Treaty of 1864 between the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians and the United States is inaccurate. He said this could not be so because the treaty was for a term of only 20 years, from 1864. I have again reviewed the treaty (16 Stat. 707; II Kappler 865), and can find no basis for the assertion by Crawford. Article I provides that the area reserved by the tribes shall be "the residence for said Indians [and] held and regarded as an Indian reservation. * * *" Articles IV and V contain provisions for payment of certain consideration promised by the United States. Some of these promises are to be met within a period of 20 years. It may be that Mr. Crawford is confused by such references, but it is clear from a reading of the whole document that it is an agreement in perpetuity without regard to any time limitation.

Mr. Crawford also testified, in substance, that the four members of the executive committee who preceded him in testifying represent only themselves and do not represent the Klamath Tribe. The four are elected officials of the Klamath General Council and the executive committee of the Klamath Tribe. Following the testimony of Mr. Crawford, I requested from the Klamath Indian Agency a statement respecting the election of June 28, 1956, an election which decided the membership of the executive committee and designated the officials of the Klamath General Council. A copy of the certification of the election boards is attached. It should be noted that Wade Crawford and Ida Crawford were successful candidates for membership on the executive committee. This, in fact, is the status which allows and justifies the attendance of Mr. and Mrs. Crawford at hearings before your subcommittee. The same applies to the other Klamath witnesses.

Mr. Crawford next made the point that the Klamath General Council had accepted Public Law 587. In a meeting of July 29, 1954, the Klamath General Council considered, along with other business, a report from Messrs. Boyd J.

Jackson and Jesse L. Kirk, Sr., official tribal delegates, and myself dated July 26, 1954. The report was read to the general council and accepted by it (p. 9, minutes of July 29, 1954). Although this may be debatable, those conversant with the Klamath constitution and the customs of the Klamath Tribe have felt that this action amounted to nothing more than acceptance of a report from tribal representatives. As a minimum, there was certainly inadequate time for consideration of this complicated problem. A reference to the subjects covered by the general council on that day indicates that it was only then considering the bill which had been reported by the Senate committee on June 25, 1954—a bill which did not contain the voluntary withdrawal and related provisions contained in Public Law 587 as finally enacted.

Respectfully submitted,

GLEN A. WILKINSON.

We, the undersigned, chairman of the election boards at Chiloquin, Sprague River, and Beatty precincts, certify that the following candidates were duly elected as officers of the Klamath General Council at the election held on June 28, 1956, for the terms and offices as prescribed by the constitution and bylaws of the Klamath General Council adopted February 3, 1950:

Seldon E. Kirk, president
J. L. Kirk, vice president
Dibbon Cook, secretary
Boyd Jackson, treasurer
Edward Isom Mitchell, sergeant-at-arms
J. L. Kirk, executive committee
Delford Lang, executive committee
Elnathan Davis, executive committee
Dice Crane, executive committee
Boyd Jackson, executive committee
Wade Crawford, executive committee
Ida Crawford, executive committee
Ted Erumil, executive committee

KALMATH AGENCY, OREGON,
MRS. MILDRED MILLER,
Chairman, Chiloquin Precinct.
E. J. TUNING,
Chairman, Sprague River Precinct.
IVEY C. CLARK,
Chairman, Beatty Precinct.

We, the undersigned, chairmen of the election boards at Chiloquin, Sprague River and Beatty precincts, certify that the following is the results of the voting at the above polling places on June 28, 1956, for officers of the general council as prescribed by the constitution and bylaws of the Klamath General Council adopted February 3, 1950:

	Chiloquin precinct	Sprague River precinct	Beatty precinct	Total
FOR PRESIDENT				
Delford Lang	66	5	51	122
Seldon E. Kirk	106	13	22	141
FOR VICE PRESIDENT				
J. L. Kirk	71	8	48	127
Hiram Robbins	82	9	20	111
FOR SECRETARY				
Elnathan Davis	61	6	37	104
Dibbon Cook	63	11	31	105
FOR TREASURER				
Boyd J. Jackson	72	9	47	128
Write in:				
Cora Crystal	43	4	4	51
Lawrence Witt				2
Evans Nelson				3
S. E. Kirk				1
Wilbur Eggsman, Sr				1
Delford Lang				2
Elnathan Davis				1
J. L. Kirk				1
Luke Chester				1
Ronald Hatfield				2
Mary Reyes				4
Joseph Miller, Jr				1
Wilbur Crim				1
Doris Richards				3
Dibbon Cook				6
Clarice Lotche				1
Dorothy McAnulty				1
FOR SERGEANT-AT-ARMS				
Edward I. Mitchell	79	13	27	119
Bertram Hamilton	61	4	32	97

Election of general council officers on June 28, 1956

For executive committee	Chiloquin precinct	Sprague River precinct	Beatty precinct	Total
Boyd J. Jackson	60	9	48	117
Bertram Hamilton	40	5	30	75
Evans Nelson	36	6	10	52
Wade Crawford	85	8	16	109
Dibbon Cook	62	9	45	116
Wilbur Eggsman, Sr	69	4	13	86
Marie Norris	81	3	7	91
Einathan Davis	62	9	52	123
Dorothy McAnulty	41	3	44	88
Dice Crane	65	9	49	123
Hiram Robbins	40	9	29	78
Clarice Lotches	69	3	14	86
Ida Crawford	80	5	14	99
Mary Reyes	62	3	6	71
J. L. Kirk	67	11	56	134
S. E. Kirk	56	9	9	76
Wernie Foster	37	7	47	91
Sammy Hecocta	19	5	26	50
Doris Richards	11	2	2	15
Luke Chester	61	6	21	88
Lawrence Witt	49	1	10	60
Theodore Crume	70	10	17	97
Delford Lang	72	8	46	126

We, the undersigned, chairmen of the election boards at Chiloquin, Sprague River, and Beatty precincts, certify that the following is the results of the voting

at the above polling places on June 28, 1956, for officers of the general council as prescribed by the constitution and bylaws of the Klamath General Council adopted February 3, 1950:

	Chiloquin precinct	Sprague River precinct	Beatty precinct	Total
FOR PRESIDENT				
Delford Lang	66	5	51	122
Seldon E. Kirk	106	13	22	141
FOR VICE PRESIDENT				
J. L. Kirk	71	8	48	127
Hiram Robbins	82	9	20	111
FOR SECRETARY				
Elnathan Davis	61	6	37	104
Dibbon Cook	63	11	31	105
FOR TREASURER				
Boyd J. Jackson	72	9	47	128
Cora Crystal (write in)	43	4	4	51
FOR SERGEANT-AT-ARMS				
Edward Isom Mitchell	79	13	27	119
Betram Hamilton	61	4	32	97

Election of general council officers on June 28, 1956

	Chiloquin precinct	Sprague River precinct	Beatty precinct	Total
FOR EXECUTIVE COMMITTEE				
Boyd J. Jackson	60	9	48	117
Bertram Hamilton	40	5	30	75
Evans Nelson	36	6	10	52
Wade Crawford	85	8	16	109
Dibbon Cook	62	9	45	116
Wilbur Eggsman, Sr	69	4	13	86
Marie Norris	81	3	7	91
Elnathan Davis	62	9	52	123
Dorothy McAnulty	41	3	44	88
Dice Crane	65	9	49	123
Hiram Robbins	40	9	29	78
Clarice Lotches	69	3	14	86
Ida Crawford	80	5	14	99
Mary Reyes	62	3	6	71
J. L. Kirk	67	11	56	134
S. E. Kirk	58	9	9	76
Wernie Foster	37	7	47	91
Sammy Hecocta	19	5	26	50
Doris Richards	11	2	2	15
Luke Chester	61	6	21	88
Laurence Witt	49	1	10	60
Thedore Crume	70	10	17	97
Delford Lang	72	8	46	126
Robert Royce	5		1	6
Ernestine Ortis	1			1
Donald Schonthin			3	3

Date: June 28, 1956.

Mrs. Mildred Miller,
Chairman, Chiloquin Precinct.
E. J. Tuning,
Chairman, Sprague River Precinct.
Lucy C. Clark,
Chairman, Beatty Precinct.

KLAMATH AGENCY, OREG., *June 11, 1956.*

To All Members of the Klamath Tribe:

This is to give notice that in accordance with the constitution and bylaws and per resolution as approved by the members of the general council on June 9, 1956, there will be an election day on Thursday, June 28, 1956, to elect president, vice president, secretary, treasurer, and sergeant at arms to serve on the Klamath Tribal General Council.

Will also be an election for an eight member executive committee.

Candidates for:

President: Delford Lang, Seldon E. Kirk.

Vice president: J. L. Kirk, Hirman Robbins.

Secretary: Elnathan Davis, Dibbon Cook.

Treasurer: Boyd J. Jackson.

Sergeant at arms: Edward Isom Mitchell, Bertram Hamilton.

Executive committee: Boyd J. Jackson, Dorothy McKnulty, Bertram Hamilton, Dice Crane, Sammy Hecocta, Evans Nelson, Hirman Robbins, Doris Richards, Wade Crawford, Clarice Lotches, Luke Chester, Dibbon Cook, Wernie Foster, Ida Crawford, Laurence Witt, Wilbur Eggsman, Sr., Mary Reyes, Theodore Crume, Marie Norris, J. L. Kirk, Delford Lang, Elnathan Davis, S. E. Kirk.

S. E. KIRK,
President, Klamath Tribal General Council.
DIBBON COOK,
Secretary, Klamath Tribal General Council.

OFFICIAL RULES FOR THE ELECTION

As per practice for the past several years, voting at each poll shall be held under the supervision of an election board. This board shall decide upon eligibility to each voter and shall see that the voting is done according to the following rules:

1. All voting shall be done in secret as it is at any general election throughout the country. The board will hand the ballot to the voter after his name is registered. The voter then marks his ballot in booth secretly. Then voter himself is to fold the ballot and himself drop the folded ballot into the hole in the ballot box.

2. Those persons who can neither read nor write shall be assisted by at least two members of the election board. Neither of these members is to influence the voter in any way but shall explain to him the method of voting.

3. Only official ballots prepared by the agency office will be used in this election. (The ballots will be printed on specially prepared paper, manufactured by a special process.)

4. The election board shall keep a register in which shall be recorded the name and number of each voter. The number placed beside the name of the voter in the register will be the same as the number placed on the top of the ballot used by him. The top of the ballot, including the number, will be cut off as indicated thereon, and this portion of it shall be kept as a record. The remaining part of the ballot shall be placed in a box by the voter, and the box shall be securely fastened and locked and not opened until after the polls are closed.

5. After the polls are closed, the election board shall examine all ballots and shall segregate those which must be disregarded due to improper voting and shall count the votes on the remaining ballots. This board will then compile the votes in such a manner as clearly to show the results and shall sign a certificate as to the accuracy of its work. The board at each poll shall file in the agency office all ballots, including those disregarded due to improper voting, the register of all voters, and all slips cut from the top of the ballots, and the compilation of all votes cast. No information shall be given out by any member of the board until the persons in charge of the election at Beatty, Sprague River, and Chiloquin shall have agreed that the election was conducted the same as these places on the reservation and that the counting of the ballots is correct.

6. No electioneering will be permitted at or within the immediate vicinity of the polls.

7. Those eligible to vote: Minors, 18 years of age and legally married; others, 21 years of age.

8. Election board members will check at closing time to see if a voter has voted at more than one polling place.

The polls will be open from 8 a. m. to 8 p. m.

(Government employees who are members of the tribe and entitled to vote may take time off on election day sufficient to make the trip to the polls to vote and return to duty.)

E. J. DIEHL,
Superintendent, Klamath Indian Agency, Klamath Ageney, Oreg.

VALE, OREG., *February 19, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senate.

MY DEAR SENATOR NEUBERGER: The Klamath Indian delegation now in Washington asked me to appear before your Subcommittee on Indian Affairs or in lieu thereof file for the record a statement of my views on Public Law 587 and pending bills S. 2047 and S. 3051. After attending the hearings and observing the limited time available to your committee it was thought best to file my statement.

I have been closely associated with Indian affairs for more than 30 years having entered the United States Indian Service in 1920 cruising timber and topographic mapping of the Klamath Indian Reservation in Oregon. I organized the first area office of the Indian Bureau in Portland and served as its first director from July 1946 until April 1954, exercising general supervision over Indian reservations and tribes in Oregon, Washington, California, Idaho, and Nevada. I then served, until my retirement in 1956, in a similar capacity in the area office in Minneapolis with general supervision of Indian reservations and tribes in Minnesota, Wisconsin, Michigan, Iowa, North Carolina, and South Carolina. I have been on every Indian reservation in this country, principally during the time when serving as director of highways, a division of the central office which I organized.

Having begun my career on the Klamath Reservation I have long been acquainted with that tribe and its reservation and my respect and admiration for the Klamath people has grown deeper through the years.

As the then director of the region in which the Klamath Reservation lies I was consulted, as was the reservation superintendent, on the proposed legislative bill to terminate Federal supervision over the Klamath Tribe and to withdraw from them the rights guaranteed under the treaty of 1864. The practical effect of the termination bill as proposed to me would have disposed of the Indian lands and placed it on the public tax rolls which was the equivalent of disposition under the circumstances. Long experience among the Indians has taught me that one cannot and should not attempt to rush them into action, especially where they are not sufficiently organized, informed and prepared to make such serious decisions as giving up their reservation lands, in this case disposing of more than 800,000 acres of good land and timber. In this connection it is pointed out that the Klamath Tribe is and has for years been financially self-supporting. Income from their forest lands alone runs as high as $240,000 per annum with undeniable prospects of timber receipts going higher with continued sustained yield management. So why all the rush to terminate the Klamaths? Since the Klamath people were not ready for the treatment proposed the superintendent and I considered the bill ill advised and untimely. We finally suggested a number of changes including that of permitting more time for the tribe to consider termination and the sale of their property if that was the determined decision of the Government.

The proposed bill contained some good provisions and seemed innocent enough on its face. However to persons long acquainted with the Klamath people and their reservation it was clear that in the final analysis and ultimate execution the legislation as proposed by the Commissioner meant the destruction of the tribe and disposition of the Klamath Reservation. It was obvious then that the Klamath

people did not fully understand the bill and lacked the organization and capacity to assume the management of its more than 800,000 acres of land worth upward of $200 million. Some still do not understand it, indeed there were sections of the bill that even attorneys did not understand, and an overall analysis clearly indicated trouble ahead. The difficulty in carrying out Public Law 587, the version of the bill which was ultimately passed, substantiated these beliefs.

It is believed by many people that Congress would never have passed Public Law 587 had it been fully informed of the effect of the legislation. Since the passage of Public Law 587, the Commissioner has fully evidenced his intention to put the Klamath Tribe out of business. Great areas of Klamath Reservation lands have already been sold and more is being sold as rapidly as possible. The theory is that if all the Indian lands are sold there will be no further responsibility on part of the United States Government. While questions of heirship necessitates the sale of some land, there is no valid reason for the rapid disposition of Indian lands with no effort made to keep those lands in Indian ownership; it has been estimated that 98 percent of the sales have been to non-Indians with destructive logging of the areas following.

A great imposition on the Indians was the Land Allottment Act of 1887, a system by which the Indians have been separated from more than 80 million acres mostly of their best lands. This pernicious plan is still in operation. Withdrawal legislation follows to augument it.

During the administration of Indian Affairs by Messrs. Collier and Zimmerman everything possible was done to add to and preserve the Indians' lands and resources. In contrast the Indian Office at present is apparently doing everything possible to dispose of the Indians' lands and resources. Thousands of Indians have had their lands sold and now many of them have and are being relocated, at great expense to the taxpayer, in undesirable and unhealthy sections of our cities. The fact that some younger Indian people want to leave the reservation for elsewhere begs the issue. Indian culture, life, and customs have been uprooted and destroyed trying to make white men out of people who prefer to remain as they are. The one result to which such dislocation will ultimately lead is the Federal Government's repurchase of former Indian lands, at increased expense, and restore same to the Indian people. Indeed this has already occurred in some areas.

Neither at the time Public Law 587 was first proposed did I, nor at present, contend that the Federal Government should never withdraw its supervision over Indian affairs and restricted Indian property, but have always contended that such withdrawal of Federal responsibility, resulting from treaties with the Indians, should, in good conscience, be done slowly, intelligently and equitably at such time as the Indians may be willing and prepared for such a drastic change. I am certain that these feelings are shared by Members of the Congress and others long acquainted with Indian people.

One of the major difficulties facing the Klamath Tribe stems from the pressure of some concerns that long have had their eyes on the timber resources of the Klamath; however there probably is no lumber company or combination of companies which could purchase the entire Klamath Reservation and continue maintenance of forest protection and sustained-yield management. It is conceivable that companies do exist which could make piecemeal purchases of the Klamath Forest lands and strip the timber therefrom on a non-sustained-yield basis, in fact this has happened to some areas already sold. The sale of all the timber from the vast Klamath Forest would undoubtedly depress lumber values and result in the ruination of the lumbering industry in southern Oregon and northern California. The destruction of the present forest lands would spell calamity not only for the Indians but for many people in the Klamath region. The Klamath Forest land is suitable only for forest crops and many of the nearby communities depend to a great extent on the manufacture and sale of lumber and other forest products. The Klamath Reservation lies at high altitude; this fact and the lack of sufficient rainfall and unfavorable temperature for crop production leaves the area hardly suitable for farming or livestock production, unless a qualified individual has relatively large individual land holdings. Some few individual Indians now own or control considerable acreage on the reservation and by their using some tribal land for summer grazing of livestock do very well.

The good features of Public Law 587, are, unfortunately, far outweighed by those adverse to the future welfare of the Klamath Tribe. The present legislation would permit sale of Indian forest lands at prices not yielding a fair return to the Indian owners. Corrective legislation affecting these people should be free from pressure, confusing and illusionary promises. The Klamath people have lived in southern Oregon for hundreds of years, and being already the owners of

this land, the tribe should have funds and first opportunity to purchase whatever allotted Indian land deemed necessary to be sold if there is any such land left. Without the annual cash income from their present tribal land holdings and allotted lands in many cases will create vast social and economic problems for the Federal Government as well as the State of Oregon. The citizens of Oregon should be vitally interested in this problem before it is too late.

I proposed in the beginning, as now, that Public Law 587 immediately be revised or revoked before the Klamath Tribe is forced from its ancestral home. An amendment to the law should include but not be limited to the following:

(*a*) Permit the Klamath Indians with the help and encouragement of the Government, to form their own corporation so as to take over management of their own property, but not to place it on the public tax rolls, at least not for the near future. Provisions, in lieu of taxes, made for the tribe to reimburse the State and/or the United States Government for any necessary public services rendered the Klamath Tribe such as for schools and law and order.

The tribe has for some years maintained its own hospital, also pays the salaries of Federal Government employees presently stationed on the Klamath Reservation for managing their timberlands, irrigation works, hospital, etc. Since the reservation originally and still is owned by Indians the Federal Government should not take their lands over, nor place legislation on the books that would in effect take the Indians' property. The Indians have been so confused and pressured that they are likely to agree to any proposition to get rid of the present Indian Bureau administration. It should be remembered also that the Klamath Indians presently pay income taxes, many pay property taxes, indirect and all other taxes, save tax on their tribal lands which lands have never been on the public tax rolls before or since Uncle Sam entered into the treaty of 1864 with the Klamaths. Provision should also be made for Federal loans to the tribe to pay those individuals withdrawing from the tribe, said loans to be repaid on an installment plan out of yearly receipts, mostly from cut and sale of timber. No one knows how many of the enrolled Indians want to withdraw from the tribe.

(*b*) If the Klamath people, after proper organization and due consideration, decide in a majority vote not to keep and manage their own property under conditions that would be practicable, then offer their tribal property for sale to the State of Oregon for management of the Klamath resources on a permanent sustained yield basis.

The price and transaction should have the full Indian understanding and approval. Such continuous governmental management would be of benefit equally to the Klamath Indians and to other Oregon citizens interested in maintaining in perpetuity the forest and other resources of the Klamath Reservation. Provisions for installment payments should be made for the reservation over a long period of time. This proposal would be similar to administration of a national forest, but ownership benefits would remain in Oregon citizens after full payment to the original Indian owners.

(*c*) If the Klamath Tribe and the State of Oregon would not accept proposal (*b*) above, then with full understanding and consent of the tribe, sell the Klamath tribal timberlands to the Federal Government to be maintained in perpetuity as a national forest with suitable provisions honoring the great Klamath Tribe.

Through this plan sustained yield management would be assured for benefit of the Klamaths and all other citizens alike. The price would have to be right, with payment made on an installment basis until final settlement is made. It should be clearly borne in mind that any large cash payments made at one time to individual Indians would certainly mean that in a very short time most of the Klamath people, like other people, would have neither cash nor their land left, then what?

(*d*) If neither (*a*), (*b*), nor (*c*) proposals could be satisfactorily worked out, it then might be possible to offer the tribal timberlands for public bidding in whole or in blocks with strict provisions made, under penalty of law, to insure protection and maintaining sustained yield forest management in perpetuity.

As indicated above it is doubtful that a private corporation could financially handle such a vast property with requirements for forest fire and insect protection and for sustained-yield management, with controls over the total annual cut of timber so as not to jeopardize the entire forest economy of the Klamath Basin at any time. A great risk is involved under this plan. Man-

agement and/or stockholders of private corporations change as the years go by and the urge to liquidate the property and close out the business is hard to resist and prohibit. In the end it probably would mean only destruction of the great Klamath Forest with calamitous economic effect in southern Oregon. This plan would mean continuous checking and enforcement of protection and sustained-yield management by either State or Federal Governments and probably would be costly. This is the least desirable of all other possible methods of management. The revenue derived from such ownership and management likely would not be spent locally whereas the Indian owners presently spend their reservation income with local merchants.

(c) The extensive marshland on the Klamath Reservation could best be handled for benefit of all by the excellent Fish and Wild Life Bureau of the Federal Government provided the Klamath Tribe is willing to sell. This is a great resource and will become increasingly more so in the future.

In any proposal the Indians' hunting and fishing rights should be recognized and preserved. This is dear to the Indians' heart and must be protected at all costs.

Of the three proposals now before your committee, namely Public Law 587, S. 2047, and S. 3051, I believe S. 2047 comes nearer meeting any possible legislation obtainable under the present organization of the Indian Service. The Klamath Tribe has been rushed, pressured, and coerced to the extent that it is not presently capable of making a clear decision to its satisfaction or its best interests. One can only repeat—why the rush? Any action taken that will mean separation of the Klamath Tribe from their old reservation will be a black page in our history.

In consideration of any legislative bill it should not be forgotten that the Klamath Tribe is composed of human beings and resorting to pressure, confusing and impossible legislation should not be countenanced against these people. The Klamaths are an asset to the country, to Oregon, and where would they go should they lose their lands?

I am greatly encouraged with the sympathetic feeling and work you have devoted to the Klamath people. Great appreciation and thanks from the tribe and other Oregon citizens are most justly due you.

Very sincerely yours,

E. Morgan Pryse,
Colonel, Corps of Engineers, United States Army, Retired.

National Lumber Manufacturers Association,
Washington, D. C., February 19, 1958.

Hon. Richard L. Neuberger,
Chairman, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

Dear Senator Neuberger: By letter dated January 20, 1958, you invited participation by this association in hearings on S. 3051 and S. 2047, and you asked whether we wished to appear at these hearings and testify or submit our views in writing for consideration of subcommittee members and inclusion in the hearings record. By letter of January 22, 1958, we advised you that we had submitted a statement on S. 2047 which was published in the record of the hearings on that bill, and that the views expressed therein could be interpreted as bearing on some of the principles set forth in S. 3051 as well. We indicated, however, that we might wish to supplement our previous statement and comment on some features of S. 3051 which differ from your previous bill.

Thereafter, by telegram dated January 31, 1958, you requested information from this association as to which day our spokesman or representative desired to testify before your subcommittee on these two bills. In response to this wire, we advised that S. 3051 had not yet been given sufficient consideration and that we were not yet prepared to present oral testimony on it. We indicated, however, that we would most likely prepare and present a statement on S. 3051 to your subcommittee at a later date for inclusion in the hearings record. The statement that follows conveys our views on S. 3051 and supplements the views we previously expressed to your subcommittee on S. 2047. Our two statements are closely related and should be considered jointly.

S. 3051, if enacted, would require private bidders to prepare management plans for approval by the Secretary of Agriculture before they would be qualified to bid. Any successful bidder would be subjected to a 75-year covenant covering management of the lands purchased. This would be administered by the Secretary of Agriculture. Any lands not purchased by private parties and not retained by the Klamath Tribe would be purchased by the Federal Government. No bids would be accepted for less than the appraised price which would be determined without regard to the 75-year title restriction or other provisions adverse to the purchaser.

It is our belief that to the extent the Klamath timberlands are placed on the market for sale to private parties, all conveyance of title should be in fee simple and should not include a covenant or stipulation limiting the right of the purchaser to manage the property as he thinks best. This form of title encumberance, imposing Federal control over private property rights, would be new in the United States, alien to our traditional concept of individual responsibilities for proper land stewardship and a dangerous precedent for the further control of private property by the Government. Furthermore, in this day of high timberland values and understanding of forestry principles, no such covenant is needed.

The proponents of this legislation have emphasized that it should not serve as a precedent for the extension of Federal control over private lands beyond the boundaries of the Klamath Indian Reservation. This hope is ill founded if history has meaning. Once the door is opened slightly on physical and economic control over the activities performed by an individual on his own property, experience suggests that the door is most apt to be opened wider rather than closed. It must be remembered that the termination program on the Klamath Reservation is only a small part of the entire termination program. There are some 5 million acres of timberland on the several Indian Reservations subject to termination proceedings and an additional 35 million acres of woodland and grazing land. If Federal control over Klamath timberlands is approved by the Congress of the United States, is it farfetched to assume that the Congress will look with disfavor on similar control over similar lands elsewhere?

Under the public-land laws, the Department of the Interior has alienated millions of acres of public-domain land without the restriction of a federally enforcible management covenant. Even today dispositions of forest and other lands are made by the Department of the Interior after due classification without title impediments as related to long-term management. S. 3051, therefore, clearly breaks with the past and launches a new concept of the relationship between the Federal Government and the private purchaser of Federal lands. It represents a concept that departs from the many expressions of the administration relating to matters of individual responsibility, self reliance, and private enterprise.

The cost and complexity of policing the physical property and financial and other records of the private purchasers of Klamath timberlands by the Government is a matter that deserves more consideration than has thus far been apparent.

S. 3051 would specifically impose sustained-yield management on timberlands of the Klamath Reservation following their transfer to private ownership. If it is important for sustained-yield management to be practiced by private owners of timberland, is it not equally important that those responsible for the administration of publicly owned timberlands do likewise? If this proposal requiring sustained-yield management by any private purchaser is to be retained in the proposed legislation, should not the legislation specifically require sustained-yield management of any of the Klamath timberlands acquired by the Federal Government? And with regard to the timberlands retained by the Klamath Tribe, should not sustained-yield management be a matter of similar concern? While sustained-yield management of privately acquired timber resources would be mandatory and conservation of soil and water resources imposed on any private purchaser, nothing specifically is said in the legislation concerning sustained yield or conservation management as a condition of ownership by other custodians of valuable timber, grazing, soil, water, recreation, and wildlife resources.

Although "sustained yield" is a term referred to throughout the legislation, it is nowhere defined. There are many definitions of this term. Both physical and economic factors are involved. This has sometimes led to misunderstanding or disagreement among those who are responsible for various aspects of timberland management. Perhaps the most authentic professional explanation is presented by the Society of American Foresters. Its definition of "sustained yield" is in four parts as follows:

"1. As applied to a policy method, or plan of forest management, implies continuous production with the aim of achieving, at the earliest practical time, an approximate balance between net growth and harvest, either annual or somewhat longer period.

"2. As applied to forest and range management, implies measures which will maintain the productive capacity of the land.

"3. As applied to a forest, refers to one which is under sustained-yield management.

"4. In forest finance, refers to a forest property, the current income from which is equal to the interest on its capital value; if equality is achieved on an annual basis the property is characterized as an annual sustained-yield property."

Some legally defensible definition of the term would obviously have to be developed for purposes of S. 3051 which might depart from a professional or academic definition. If this is not done, the prospective purchaser would be under a handicap in not knowing what would be expected of him under the legislation, especially in future years, and endless litigation in the courts might result.

It is obvious that in some circumstances a purchaser might not want to practice annual- or short-term sustained yield on a particular tract that he was going to purchase since it might become part of more extensive holdings on which overall sustained yield would be practiced. In such case his objective might be the postponement of timber harvest so as to fully develop a component part of his total raw material supply. This would be more in the public interest than to force sustained yield (implying an annual or near annual balance of growth and cut) upon him. There are other circumstances in which the application of scientific forestry practice under an economic plan of management is more in the public interest than is sustained yield, especially if the term is confined to physical factors alone.

It is still our understanding that the lands in question are the property of the Klamath Indians. Has this legislation been approved by these Indians? Are they aware that a restrictive title and other onerous provisions will adversely affect the disposal of the property to private owners? It appears that the executive department of the Government, in their sincere desire to continue the results of their own management program, has failed to delegate to these Indian owners the responsibility which is rightfully theirs in the solution of the problems of disposal. In this connection, we might observe that we see no evidence that the legislation provides for participation by the State of Oregon. Practically all responsibility under S. 3051 is vested in the Secretary of Agriculture or the Secretary of the Interior.

S. 3051 provides that the "realization value" shall be approved by the Secretary of the Interior which is defined to be the same as fair market value. The propriety of legislating fair market value in this manner might well be questioned. Under S. 3051, "realization value," as defined, is certain to be in excess of the fair market value (as determined in the market place) because it is based upon an appraisal which has not taken into account the adverse factors included in the legislation which most certainly will both discourage private bidding and decrease values.

The act of March 1, 1911 (36 Stat. 961) is referred to in S. 3051. This act, among other things, provides for a National Forest Reservation Commission consisting of the Secretaries of Agriculture, Interior, and Army and four Members of Congress. The act states that such Commission was "* * * created and authorized to consider and pass upon such lands as may be recommended for purchase * * * and to fix the price or prices at which such lands may be purchased and no purchases shall be made of any lands until such lands have been duly approved for purchase by said Commission * * *."

S. 3051 would set aside this traditional procedure under which land aggregating almost 19 million acres has been added to the national forests over a 47-year period. If the Klamath timberlands are to be added to the national forest system, we believe the National Forest Reservation Commission should consider and pass on the transaction in keeping with the desire of Congress expressed in the act of March 1, 1911.

A provision in the bill states: "All sales of tribal lands on which roads are located shall he made subject to the right of the United States and its assigns to maintain and use such roads." Unless a prospective bidder can negotiate a long-term agreement with the United States, setting forth reasonable terms and conditions of road use, including equitable payment for such use, it is unlikely that a sale to such a prospective bidder would be consummated. This presupposes that improvements, such as roads, are part of the "realization value" as defined in the legislation.

A provision in the legislation states, "The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States * * * in the event of a breach of such conditions." These conditions refer to a 75-year plan of management as approved by the United States. It is obvious that a potential purchaser would not only be reluctant to place his operations under the control of the Government for 75 years but would consider grossly inequitable the confiscation of his property for some, perhaps minor, infraction of the rules. Not only is sustained-yield management of timber required under the conditions, but also required is the conservation of soil and water resources, giving rise to greater risk of violating Government edict. Since control over the lands will continue for a period of 75 years, conditions and circumstances which prevail at the outset would most certainly change as would, from time to time, the law enforcing officers. It would take both a most benevolent administration and a most circumspect private operator to prevent a situation arising, sooner or later, which would lead to forfeiture proceedings. The hazard to the individual purchaser because of Government dictation is great, but the penalty for an alleged malpractice is even greater. It is very doubtful that any private individual or company would be willing to acquire timberlands under such conditions.

In conclusion, S. 3051 in our opinion would seriously, if not entirely, discourage the competitive sale of the available Klamath timberlands to private enterprise. The final results of its enactment would be acquisition by the Federal Government of most, if not all, of the Klamath timberlands subject to sale. This would suggest that if S. 3051 is enacted, the Congress would be called upon soon thereafter to appropriate a very large sum to pay for Federal acquisition. S. 3051, therefore, should be carefully reviewed from the standpoint of whether or not the Congress would appropriate such a large sum at a time when the demands for defense are so critical and maximum economy in nondefense expenditures is so imperative.

We believe that S. 3051 is not in the best interest of the public, including the Indian owners, and we urge that it not be given favorable consideration.

We will appreciate having this letter made a part of the record of the hearings on this measure. Copies are being sent to other members of your subcommittee for their information.

Sincerely,

A. Z. NELSON,
Director, Forestry, Economics, and Statistics Division

LANE COUNTY SCHOOL DISTRICT NO. 52,
Eugene, Oreg., February 11, 1958.

Senator RICHARD NEUBERGER,
Senate Building, Washington, D. C.

DEAR MR. NEUBERGER: In the early part of January I wrote you concerning the termination of the Klamath Indian Agency. Your reply indicated that you also were concerned.

I suggested in my January letter that an economic adviser and counselor be furnished for the purpose of helping the Indian invest his money wisely and that religious or fraternal groups be contacted to help find jobs and provide social life for the Indian in his new location. Your reply indicated to me that you and the Interior Department did not have all the answers. I don't either but I have an additional idea or two.

As briefly as possible those ideas are listed below.

1. A period of possibly 10 or more years should be used to liquidate the Klamath Reservation.
2. Families now capable of managing their own affairs should be the first separated from wardship. This separation should take place after satisfactory arrangement has been made of their financial affairs and their situation gives them a chance to make good on their own. This process to be continued as rapidly as possible.
3. Ten to 20 percent of the appraised value of the reservation should be set aside to provide for population increase over the period of liquidation.
4. Children resulting from Indian marriage to whites after January 1, 1959 not considered Indians or wards of the Government.
5. Education among Indians should be encouraged and an educational adviser furnished. This person might also be the financial adviser.

6. When families are ready to go on their own the Goverumeut pay them according to the appraised value of the reservation.

To me it seems better to keep the reservatiou as is than to liquidate the reservation without reasonable preparation on the part of the Indians. For most of them to become welfare cases within a few years will be of no advantage.

I do thank you for your time and consideration.

Sincerely,

PHILIP M. BERG.

ANALYTICAL STUDY OF S. 3051, 85TH CONGRESS

By Mollie Z. Margolin, American Law Division, The Library of Congress Legislative Reference Service

S. 3051, 85th Congress (sec. 1) adds a uew section (sec. 28) to the Klamath Termination Act of August 13, 1954 (68 Stat. 718) to provide as follows:

(A) SUMMARY OF PROVISION

The tribal lands that comprise the Klamath Indian Forest and the Klamath Marsh shall be designated by the Secretary of the Interior and by the Secretary of Agriculture.

Effect of provision

This provision creates no new rights or obligations. It merely seeks to have the boundaries of the tribal forest and of the tribal marshlauds formally defined and made a matter of public record.

(B) SUMMARY OF PROVISION

The Secretary of the Interior and the Secretary of Agriculture, jointly, shall divide iuto appropriate units the portion of the Klamath Indian Forest which is selected by the Management Specialists to be sold in order to pay the members who elect to withdraw from the tribe. These units shall be offered for sale to private enterprise, on the basis of competitive bids. The minimum price which may be accepted is the value set for this land by the official appraisal approved by the Secretary of the Interior, which shall be based on the assumptiou that 70 percent of the forest would be thrown on the market at once, would be sold by August 13, 1960, and would be sold without any restrictious as to its use.

The deeds which will be given to the purchasers of each unit shall contain a covenaut restricting the use of such land according to specified sustained-yield plans, including provisions for couservation of soil and water resources, for a period of 75 years, such covenants to run with the land. There is to be no reduction in the price of the land by reason of this covenant.

In the event of a breach of such conditious by a grantee or any of his successors in interest, the deed shall provide for a forfeiture of title iu tbe lands by the grantee or his successor in interest, and for a reversion of said title to the United States not in trust for or subject to Indian use, but to become national forest lands.

Effect of provision

Sale of forest lands under section 5 (a) (3).—Section 5 of the Klamath Termination Act provides that each member of the Klamath Indian Tribe shall be given an opportunity to elect to either withdraw from the tribe and have his interest in tribal property converted into money and paid to him or to remain in the tribe and participate in a tribal-mauagement plan. Since approximately 90 percent of the Klamath tribal property consists of forest and marshlands, and since, according to a 1955 survey conducted by the Stanford Research Institute among tribal members on the Klamath Reservation, it appears that about 70 percent of the members may elect to withdraw, it is probable that a major portion of the Klamath Indian Forest may have to be sold to pay these members who elect to withdraw.

Appropriate units.—A prospective purchaser of a unit of this forest land would be faced with the fact that "a sustained yield timber-growing investment in the Klamath Basin is one that offers very small annual dividends when consideration is given to the large values of the timber which must be iuvested in the venture. If the owner of the * * * property also operates a mill that utilizes the forest resources being grown, the annual returns from the overall

timber-growing-utilization undertaking may become a relatively profitable undertaking" (tentative Management Plan, as revised August 1957, p. 72).

The Government must also consider the fact that "the Management Specialists who have responsibility for sales of these units, are obligated under the law to obtain on behalf of withdrawing members the greatest possible returns from these sales. This obligation means that a sizable portion of the area to be sold would have to be sold in small-sized units in order to obtain the greatest amount of competition possible. It is doubtful that such small units, within themselves, can furnish a sustained cut for even the smallest of sawmills" (from a letter of September 26, 1957, from the Secretary of the Interior to Senator Neuberger as chairman of the Senate Subcommittee on Indian Affairs).

The Secretary of the Interior, in a letter of January 13, 1958, to the President of the Senate, further pointed out that there are two major difficulties involved in maintaining a sustained-yield program for these lands. One is that Federal enforcement of a sustained-yield agreement will present administrative problems. These, he claims, will be minimized if the lands that are to be sold are offered for sale in a comparatively small number of units, for example, 10 to 15, containing relatively large acreages. The other is the possibility that private industry may not be willing to pay the full market value of the land if it is subjected to a sustained-yield requirement.

Also, in connection with the size of the units, evidence has been offered in the hearings on S. 2047, 85th Congress, to the effect that if the majority of timber should get into the hands of a few large operators, the 5 or 6 small mills which are able to operable in the area under present conditions, will eventually be eliminated, constituting a blow at the principle of small business (p. 27). All these factors must be weighed in arriving at "appropriate units."

Market value.—Although the bill states that the purchase price paid by the grantee shall be deemed to represent the full appraised market value of the lands, undiminished by the right of reversion retained by the United States, is that really so in effect?

The bill does provide that the realization value of the units involved shall be determined as if 70 percent of the forest were offered for sale without limitations, to be sold in about 2 years. However, the bill does not provide that the price must be determined as if that 70 percent were offered in small units. The competition among 1,000 or more buyers would indeed be greater than that among 10 or 15 buyers. This may amount to a sizable reduction in price.

Section 28 (h) of S. 3051 provides that the United States shall maintain roads which are located on tribal lands sold under this act. This provision is not limited to access roads needed by the United States, but is made applicable to all roads located on the land at the time of sale. In arriving at a "realization value" of each unit offered for sale, the appraisers could not have taken into consideration this service which the United States would furnish to the purchasers under S. 3051 since this bill was not presented before January 16, 1958. In effect, this service rendered by the United States, without an increase in the price of the unit, amounts to a reduction in the price of the land.

Furthermore, one of the purposes of S. 469, 85th Congress, which was enacted into Public Law 85–132, amending the Klamath Termination Act, was to halt the sales of land until Congress was able to arrive at another method of sale which would "(2) prevent forced sales of Klamath tribal timberlands in quantities and at times that will unreasonably depress the market" (H. R. Rept. 379, 85th Cong., p. 78). Yet the minimum price set by S. 3051 is as though 70 percent of the forest land would be thrown upon the market at once. This is a true reflection of conditions, for 70 percent probably will be thrown upon the market, but it was the intent of S. 469 that this situation be prevented. S. 3051, by the sustained-yield plan will prevent the depression of the timber market, but it contains no provision for preventing the depression of the timber land market so that the Indians will get a better price for their land.

Sustained-yield covenant.—The covenant by the grantee, to manage the forest lands which he purchases, according to a specified sustained-yield plan, will be included in the deed, will form a "covenant running with the land" and will be binding on the grantee and his successors in interest for 75 years.

Validity of restrictive covenant

Such a condition in the deed would be valid.—"* * * The owner of property has a right to dispose of it with a limited restriction on its use, however much the restriction may affect the value or nature of the estate. Repugnant conditions

are those which tend to the utter subversion of the estate, such as prohibit entirely the alienation or use of the property. * * * Its subjection to particular uses [is] not subversive of the estate * * * [It does] not destroy or limit its alienable or inheritable character (Sheppard's Touchstone, 129, 131). The reports are full of cases where conditions imposing restrictions to which property conveyed in fee may be subjected have been upheld * * *" (*Cowell v. Springs Co.*, 1879, 100 U. S. 55, 57, and cases cited therein).

However, whether the United States will be able to enforce the covenant or enforce a reversion of title to itself upon breach of this covenant is open to question.

In order that a covenant may run with the land there must be (1) observance of the formalities requisite to the making of a technical covenant or promise under seal; (2) an intention of the parties that the covenant should so run; (3) a promise of such kind that it may be held "to touch or concern the land"; and (4) "privity of estate" (Charles Edward Clark, Real Covenants and Other Interests Which Run With Land (1929), p. 119).

The first two requirements are met by S. 3051. The third is designed to establish some degree of connection between the covenant and certain realty, and it necessitates, as a scientific method of test, the measuring of the legal relations of the parties with and without the covenant. If the promisor's legal relations, in connection with the land in question, and not merely as an individual, are lessened or materially modified, the burden "touches or concerns" the land; if the promisee's legal relations of like kind are increased or materially modified, the benefit "touches or concerns" the land (Id. pp. 119–120). S. 3051 also meets this test. The promisor in this case is the purchaser whose legal relations in connection with the land are lessened in that he is restricted to use the land under a sustained-yield plan. The promisee in this case is the Klamath Tribe which is really the grantor of this land since the United States merely holds the title to such land in trust for the Klamath Indians. Their legal relations with the land are increased since they benefit by the restriction in the grant, in that it helps the economy of the area, rendering their other land more valuable.

It is point (4) which presents the problem. Privity of estate is lacking as far as the United States is concerned. Privity of estate requires succession to the estate in the land of one of the parties to the covenant. When a unit of forest land will have been sold, the United States, in transferring to the purchaser the title of which it held in trust for the Indians, will not succeed to any estate in the land which was held by the Indians, and therefore there will be no privity of estate with the original covenantee as is required (Id., p. 94).

Furthermore, should the title of a unit sold eventually revert to the United States because of a breach of the covenant, the United States would own a parcel of land for which it has paid no consideration either to the covenantor or covenantee, and a court may hold that the United States has unduly profited from a transaction which it conducted as trustee for the Klamath Tribe which was its cestui que trust. Although the good intentions of the United States are indisputable, the court will have to decide whether the duties of the Federal Government to preserve the economy of the entire Klamath Basin should outweigh the duty of loyalty on the part of a trustee to its cestui que trust in obtaining the reversion of trust property to itself rather than to its cestui que trust. For a general discussion of the subject of loyalty duties of trustees, see Bogert, Trusts and Trustees, sec. 543.)

(C) SUMMARY OF PROVISION

After January 1, 1960, the Secretary of Agriculture shall purchase any forests units which have been offered for sale and have not been purchased by private industry, which he thinks are suitable for national forest administration. The purchase price shall be the minimum price set for such unit under subsection (b) above, and an appropriation to cover such purchases is authorized.

Any forest unit offered for sale which has not been purchased either by private industry or by the Secretary of Agriculture for national forest land, shall be offered for sale without the covenant restricting its use to a sustained-yield plan.

Effect of provision

If private industry refuses to purchase the units of forest land subject to the sustained yield restriction, at the price set for same by Congress then "Federal acquisition of the part of the forest that must be sold under the present Termination Act, would accomplish the conservation objective without infringing the rights of the Indians" (letter of Jan. 13, 1958, from the Secretary of the Interior to the President of the Senate, p. 3).

As to the validity of Federal purchase, the Indians have continuously been ceding lands to the Federal Government, for a consideration, and the courts have consistently upheld the validity of same. As recently as June 21, 1906, the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians ceded a portion of their reservation in Oregon to the Federal Government in return for payment of $537,007 (34 Stat. 367, ch. 3504).

In the hearings on S. 2047, 85th Congress, testimony was offered that the Klamath Indians and the other residents of Klamath Falls, Oreg., strongly prefer Federal purchase to other means of termination.

(D) SUMMARY OF PROVISION

If at any later time, the Klamath Tribe shall offer for sale, other than to members of the tribe, any forest lands which it shall have retained, such lands must first be offered for sale to the Secretary of Agriculture who shall be given 12 months in which to accept such offer and purchase the lands for national forest. No tribal lands shall be sold at a price lower than that for which they were offered to the Secretary of Agriculture without first being reoffered to him.

Effect of provision

This provision seeks to protect the remaining tribal lands which do not have to be sold before 1960 but which will remain with the estimated 30 percent of the members who will choose to remain in the tribe.

Under the Tentative Management plan, an election to terminate the trust over the remaining tribal property may be held every 5 years. If the beneficiaries shall, in 5 years, vote for a termination of the trust and a distribution of the trust assets (pars. 15, 16, and 18 of plan), there will be no duplication of the present problems. The land will first be offered to the Secretary of Agriculture.

(E) SUMMARY OF PROVISION

The lands which comprise the Klamath Marsh shall be selected as part of the property to be sold to pay members who withdraw from the tribe. Such land shall not be offered for sale to private enterprise but shall immediately be acquired by the United States. The price to be paid for same shall be the realization value shown on the appraisal referred to in subsection (b) above. Appropriation for said compensation is authorized, and said lands are to be administered as the Klamath Forest National Wildlife Refuge.

Effect of provision

As has been pointed out by the Secretary of the Interior (letter of January 13, 1958, supra), "the marsh on the Klamath Reservation is the most important marsh to waterfowl that is left unprotected in the Nation." Federal acquisition will protect this. It should be pointed out that the Klamath Marsh consists of about 21,000 acres of tribally owned lands, 15,000 of which is too wet for grazing, and is used as a nesting area for waterfowl. However, the remaining 6,000 acres are classed as dry marsh, on which it is possible to graze large numbers of livestock during most grazing seasons (excerpt from report of the Management Specialists, hearings on S. 2047, 85th Cong., p. 75). S. 3051 apparently contemplates Federal acquisition of the entire 21,000 acres to be operated as a national wildlife refuge.

(F) SUMMARY OF PROVISION

Any Klamath Indian who has been occupying since December 31, 1956, a homesite on forest land which will be acquired by the Secretary of Agriculture will be entitled to continue to occupy a homesite for his lifetime a reasonable acreage of such site, under regulations of the Secretary of Agriculture.

Effect of provision

This provision is in line with Federal policy to open to homestead entry, lands in national forests which in the opinion of the Secretary of Agriculture may be occupied for agricultural purposes without injury to the national forests and which are not needed for public purposes. The Secretary of Agriculture has authority under existing law, to open such lands to homestead settlement and entry, in tracts not exceeding 160 acres in area, and not exceeding 1 mile in length (16 U. S. C. sec. 506).

(G) SUMMARY OF PROVISION

If the United States acquires title to any of the lands in the Klamath Indian Forest which are subject to any outstanding timber sales contracts, the Secretary of Agriculture shall administer such contracts.

Effect of provision

Since any forest land acquired by the United States under this bill will be administered as national forest lands, and since the Secretary of Agriculture has authority under existing law to sell timber and forest products from sustained-yield units (16 U. S. C. §583 b), he appears to be the logical official to administer contracts for the sale of timber and forest products from such lands.

(H) SUMMARY OF PROVISION

All tribal lands sold, whether forest or other lands, on which roads are presently located shall be sold subject to the right of the United States and its assigns to maintain and use such roads.

Effect of provision

This provision will assure adequate access to lands bought by the United States and used as national forest lands, and also to any lands which may be purchased by private enterprise subject to sustained-yield management plans. Since such sustained-yield covenants will be enforceable by the Secretary of Agriculture, it is important that the United States have access to the lands covered by same.

It should be noted, as has been pointed out in subsection (b) under Market Value, that this provision, that the United States will maintain roads, is not limited to access roads needed by the United States, but is a service which the United States will give to purchasers as to all roads on the land at time of purchase. There appears to be no provision for any charge for this service to private enterprise, which may purchase a considerable portion of the Klamath Indian lands.

SECTION 2

This section repeats the provision of section 5 (a) of the original Klamath Termination Act of 1954 (68 Stat. 718) that the members of the Klamath Tribe shall elect to either withdraw from or remain in the tribe and that this election shall be made following the appraisal of the tribal property.

SECTION 3. SUMMARY OF PROVISION

If the members who shall elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for managing the tribal property, by February 13, 1960, the Secretary of the Interior is authorized to adopt a management plan, subject to section 15 of the act which provides for appointment of guardians for minors or incompetents.

Effect of provision

The present law provides for a plan to be prepared, for the management of the tribal property, through a trustee, corporation, or other legal entity, satisfactory to the members who elect to remain in the tribe and to the Secretary of the Interior (§5 (a) (5)). However, the law makes no provision for what should be done if they fail to reach an agreement. This section of S. 3051 now provides for such a possibility.

It should be noted that S. 2745, 83d Cong., which was enacted into the Klamath Termination Act, had, in its original form, a provision in section 7 of the bill, which gave the tribe the option of 2 methods of managing its property, and further provided that, if the tribe exercised neither of these options, the Secretary should transfer title to the assets to a trustee of his choice, for liquidation and distribution purposes. This provision was dropped from the House version of the bill and the present section 5 (a) (5) was substituted therefor.

The effect of the new proposal will be to give the Secretary of the Interior a free choice to adopt a plan without the consent of the tribe. For example, should the Secretary insist upon a trusteeship and the tribe upon a corporation, they would not reach an agreement by February 13, 1960. According to the new provision, the Secretary could then adopt the trusteeship plan. The tribe would have to agree to anything the Secretary proposed, for in the end his plan and not theirs would be adopted.

In reference to the appointment of guardians for minors and incompetents, testimony has been offered by the League of Women Voters, Klamath County unit, that "there is an undercurrent of rebellion that revolves around the future of the tribe's 1,000 children and the contents of some of the circuit files in the Klamath County courthouse.

"The Klamath Indian has a historically well-founded fear that his children's estates will be subjected to legal looting. It has happened before to the Five Civilized Tribes in Oklahoma, and it has happened individually to members of various coast Indian tribes in Oregon. So the Klamaths are balking at carrying out one important part of the termination program: the establishment of guardianships for minors and incompetents.

"They have balked because, they say, Oregon law is not adequate to protect the minors and legal incompetents of the tribe who can someday expect to come into estates of $50,000 apiece. They point out that a few of the guardianships established early in the termination program have cost Klamath Indians 3 or 4 times as much as the same legal procedures would cost non-Indians.

"Public Law 587 delegated to State courts and State law the responsibility of protecting the property of the minor and legally incompetent Indians.

"How well the State laws have worked can be discovered in the Klamath County court records which show that fees for the service of certain attorneys and guardians have ranged up to $1,600 apiece for a year. Trust lands, still under the control of the Federal Government, have been included in inventories of the estates and then fees have been based on a percentage of the total value rather than on specific charges for work performed.

"Estimates of the number of guardianships which will be needed in Klamath County before the minors and incompetents can receive their estates range from 800 to 1,000" (hearings on S. 2047, 85th Cong., pp. 35–36).

SECTION 4. SUMMARY OF PROVISION

The present requirement of section 5 (a) (3) that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed.

Effect of provision

As was pointed out by the Secretary of the Interior (letter of Jan. 13, 1958, supra, p. 6), a distribution as each $200,000 accumulates, will tend to cause a dissipation of the funds and to interfere with the establishment of guardianships. Since it is estimated that well over 1,000 members will elect to withdraw, it can be deduced that each such person will receive well under $200 at each distribution. A person will more readily spend such a small sum as compared to the estimated total of $50,000 which he will receive. Furthermore, it may not be expedient, as concerns fees, to appoint a guardian to administer a $200 or lesser estate.

SECTION 5. SUMMARY OF PROVISION

A member who withdraws from the tribe and desires to purchase any units which are offered for sale under the act may apply to the purchase price thereof up to 100 percent of the amount estimated to be due him from the sale of forest or marsh lands, and up to 75 percent of the amount due him from the conversion of his interest in other tribal land.

Effect of provision

Under present law a member of the tribe has a preference right to buy any tribal property which is offered for sale in order to pay off withdrawing members. He must buy same in the unit offered and for not less than the highest offer received by competitive bid. The present law permits him to apply any or all of the sum due him from conversion of his interest in all tribal property.

S. 3051 spells out the precise manner in which he may apply the amounts due him, giving a slight preference to the funds due him from forest and marsh lands.

CHRONOLOGICAL RECORD OF INFORMATIONAL MEETINGS WITH TRIBAL MEMBERS AND OF INFORMATION MADE AVAILABLE TO TRIBAL MEMBERS REGARDING TERMINATION PROCEEDINGS

December 21, 1954: Management Specialists met with the executive committee to familiarize members of the committee with the background, qualifications, and attitudes of the Management Specialists.

March 16, 1955: Portland meeting with the executive committee, Bureau officials, Thomas Reid and J. C. O'Neill, regarding general termination problems.

April 11, 1955: News release to the Herald and News regarding meetings held in Washington, D. C., with reference to the proposed contract between the Secretary of the Interior and the Management Specialists.

May 1955: Volume 1, issue I, of the Klamath Educational News released from the education office, Chiloquin, Oreg.

June 16, 1955: Report of the Management Specialists to the general council meeting held at Klamath Agency.

July 2, 1955: Portland meeting regarding appraisal specifications with area office personnel and forestry consultants.

August 11, 1955: Management Specialists meeting with the executive committee regarding appraisal specifications.

August 15, 1955: Volume 1, issue II, of the Klamath Educational News released from the Education Office, Chiloquin, Oreg.

August 30, 1955: Meeting with Mr. Wade Crawford and Mr. Lawrence Witt. Management Specialists present: Watters Favell and Phillips. Visitors: Mr. Wilcox and Mrs. Crawford.

November 12, 1955: Timber sales policy hearing held in Klamath Falls with Management Specialists and E. R. Wilcox, forest manager, Klamath Agency, Oreg., attending.

January 16, 1956: Management Specialists met with the executive committee with reference to awarding of the appraisal contract to Western Timber Services.

January 19, 1956: Management Specialists met with the executive committee to discuss the proposed management plans prepared by the Stanford Research Institute. The final draft of the attitude survey conducted by Stanford Research was also discussed briefly at this meeting.

January 13, 1956: News Bulletin No. 1 prepared by the Management Specialists was mailed to all adult tribal members.

January 20, 1956: Management Specialists attended a meeting at the superintendent's office at Klamath Agency concerning guardianships. Area office personnel and Klamath Agency personnel also attended.

February 10, 1956: Management Specialists attended a meeting at the Portland area office concerning guardianships. Present: Executive committee, area office personnel and Education Office personnel.

February 24, 1956: Management Specialists met with the executive committee and staff personnel of Stanford Research Institute to discuss the findings of the mineral resources survey conducted by Stanford Research Institute.

March 12, 1956: Management Specialists met with the executive committee to discuss proposed timber sales for continuing per capita payments for those persons who would choose to remain.

March 19, 1956: The executive committee met to discuss possible organizational plans as prepared by the firm of Hart, Spencer, McCulloch, Rockwood & Davies.

March 26, 1956: Mr. W. Wiest met with the executive committee to discuss Mr. W. L. Phillips resignation and proposed amendments to Public Law 587.

March 28, 1956: Meeting held in Portland, Oreg., with Mr. Raymond Davis, assistant to Secretary McKay, and Mr. Thomas M. Reid. General discussions of termination problems.

April 6, 1956: Management Specialists met with the executive committee and Mr. Glenn Wilkinson to discuss proposed amendments to Public Law 587.

April 11, 1956: Memorandum concerning Bureau policy for section 15, Klamath Act of August 13, 1954, Public Law 587, to all concerned, from Don C. Foster, area director. This memorandum made available at Klamath Agency.

April 16, 1956: Management Specialists met with the executive committee to discuss guardianships.

April 23, 1956: Management Specialists met with the executive committee and Klamath Agency personnel regarding cinder pit sites for roads requested by the Klamath Agency office. General termination problems were also discussed.

May 1956: Meetings held in Washington, D. C. Schedule of these meetings, May 16, 17 and 18, is in general meetings file for 1956.

May 3, 1956: General council meeting held at Klamath Agency. Attended by Mr. Earle Wilcox and Mr. W. A. Wiest of the Management Specialists office. Mr. Wilcox discussed the need for further sales of tribal timber for about 10 minutes.

May 10, 1956: Scheduled meeting with the executive committee did not meet officially because of lack of quorum. Four members attended and termination problems were discussed.

May 23, 1956: Mr. W. Wiest attended a meeting of the executive committee with the Klamath County court regarding hunting and fishing rights of the Klamath Indians.

June 4, 1956: Meeting with the executive committee to discuss the need for stopgap amendment.

June 9, 1956: Management Specialists representative attended a general council meeting.

June 14, 1956: Mailed to all adult tribal members together with a letter of transmittal, a report of the Management Specialists to the general council of June 9, 1956, together with a copy of proposed resolution concerning Federal purchase of tribal property.

June 15, 1956: Memorandum to all concerned from Don C. Foster, area director, concerning informational release made available through Klamath Agency Office.

June 18, 1956: Meeting with the executive committee. Most of the proceedings concerned general problems and progress. Need for stopgap amendment also discussed.

June 26, 1956: Meeting with the executive committee, Mr. Foster and Mr. Skarra. Mr. Fred Baker, an attorney, also attended. Main topic of this meeting was the appraisal of tribal mineral values.

July 9, 1956: Meeting with the executive committee and Mr. William Beatty of the Stanford Research Institute to explain the SRI report on minerals. Mr. Wilcox also explained the tentative conception of a basic management area to be used as the basis for the proposed plan of management.

July 12, 1956: Meeting with the executive committee. Principal topic was the need for additional contract sales of tribal timber and general planning for such sales was undertaken during this meeting. Presented to the executive committee members in attendance were copies of a memorandum relating to the basic management area for the tentative plan of management.

July 23, 1956: Scheduled executive committee meeting did not meet officially because of lack of a quorum. Members who were present spent considerable time discussing general termination problems.

August 27, 1956: Meeting with the executive committee to discuss progress on appraisal work and also the need for amendments to Public Law 587. Representative Sam Coon attended the meeting.

September 5, 1956: Meeting with Senator Watkins and Mr. Jex in Salt Lake City. (Not related to general information to tribal members.)

September 27, 1956: Meeting of the Council of Oregon Churches in Salem. This meeting was attended by several tribal members including Wade Crawford, Mrs. Poitras, Dibbon Cook, Seldon Kirk and others. (Not generally related to information program for tribal members.)

October 9, 1956: Messrs. Favell, Wilcox, and Wiest met with the executive committee to discuss the plan of action for Senate committee hearings set for October 18, 1956. Retention of water and mineral rights by tribal members were discussed together with presentation made at Oregon Council of Churches.

October 18, 1956: Senate Subcommittee on Interior and Insular Affairs hearing. The Management Specialists had been asked to submit a report of progress to this hearing which they did.

October 22, 1956: Meeting with the executive committee for the purpose of discussing actions taken by the Association of Oregon Counties.

October 29, 1956: Meeting with Commissioner at Portland, Oreg. This meeting was attended by a fairly large representation of tribal members, including all of the executive committee.

November 9, 1956: Statements of T. B. Watters, E. G. Favell, and E. R. Wilcox were read by them at the community meeting held in Beatty, Oreg. This meeting was widely publicized and attended by only 5 or 6 adults other than the executive committee members who were at that time holding weekly meetings regarding progress under Public Law 587 with the Management Specialists.

November 21, 1956: Management Specialists attended a meeting of the executive committee with Commissioner Emmons to discuss general progress and termination problems.

November 30, 1956: Meeting was held with Klamath and Lake County courts to discuss action taken by Association of Oregon Counties.

December 17, 1956: Meeting of the executive committee attended by Management Specialists and Mr. Wilcox in Portland area office to discuss general termination problems.

December 19, 1956: Meeting held with court members of district 2 of the Association of Oregon Counties. Mr. Jesse Kirk and Mr. Wernie Foster, members of the executive committee were also in attendance.

January 10, 1957: Meeting of the executive committee in which they tried to have State Representatives Kerbow and Yancey present, but they had prior commitments so could not attend. General termination problems were discussed.

January 14, 1957: Meeting with the executive committee, representative of Klamath County Bar Association and Attorney Glenn A. Wilkinson. Subject of the meeting was special guardianship fees as submitted by the local bar association.

January 31, 1957: Meeting with the executive committee to discuss trip to Washington, D. C., hearings to be held February 11, and 12.

February 25, 1957: Management Specialists attended a meeting of the executive committee to discuss hearings that the Management Specialists attended in Washington, D. C., during weeks of February 11, 1957, and February 18, 1957.

Fehruary 26, 1957: Portland meeting with personnel of the First National Bank of Portland to discuss the tentative-management plan preparation. In attendance at this meeting were: Messrs. Watters, Favell, and Wilcox of the Management Specialists; Messrs. Tillison, Dolson, Walsh, Erickson, and Harmon of the First National Bank of Portland; Mr. Frederick H. Torp, legal counsel for the Management Specialists; and Messrs. Foster and Holm of the Portland area office, Bureau of Indian Affairs.

March 6, 1957: Meeting of tribal members held by Adult Indian Education Office at Klamath Falls YMCA. Mr. Wilcox and Mr. Wiest attended on behalf of the Management Specialists.

March 7, 1957: Meeting of tribal members at Williamson River Church. Mr. Wilcox and Mr. Wiest of the Management Specialists office attended.

March 26, 1957: Meeting with the executive committee to discuss informational release concerning about which we had met previously with the State department of education.

April 3, 1957: Management Specialists attended a meeting at Portland, Oreg., with trust officers of the United States National Bank of Portland to discuss the setting up of a proposed management plan for the members who would elect to remain in the tribe. Present for this meeting were: Messrs. Stover and Bradshaw of the United States bank; personnel from the area office, Bureau of Indian Affairs; and Messrs. Torp and Hazard, legal counsel for the Management Specialists.

April 10, 1957: Meeting with members of the Klamath Indian Tribe held by education department in Klamath Falls YMCA. Meeting was attended by Mr. Wilcox and Mr. Wiest.

April 15, 1957: Advance information bulletin for members of the Klamath Indian Tribe was prepared jointly by the Management Specialists, Bureau of Indian Affairs, and the Klamath education program. Personal contact was made with the local tribal members by the personnel of the Klamath education program and the Management Specialists at which times these bulletins were distributed to the tribal members and the full scope of Public Law 587 was discussed with each tribal member and any questions asked were answered to give the tribal member a complete understanding of the problems involved in termination. Following each of these personal contacts the interviewer filled out a data sheet, which information was later transferred to cards on file in the office of the Management Specialists. This personal contact program was carried out by the two organizations over a period of several months and many questions were asked and answered.

April 25, 1957: Meeting with the executive committee. Discussions included appraisal programs, management plans, and so forth.

June 19, 1957: Meeting held with the executive committee. Committee members were given copies of summary of the plan of management and most of the meeting was devoted to discussions of this plan.

July 11, 1957: Meeting with the executive committee during the afternoon concerning the management plan. Evening meeting was held with Klamath discussion group at Williamson River Church. This tribal meeting was organized by Mrs. Jiminez and about 15 tribal members were in attendance. After Mr. and Mrs. Wade Crawford made their appearances the meeting ended in a verbal battle. After the meeting had been officially adjourned Mrs. Jiminez mentioned that she felt that future meetings should be held with the Management Specialists so that tribal members could gain knowledge concerning termination problems. The Management Specialists agreed to attend any group tribal meeting to which they could lend any assistance in informing the tribal members.

August 8, 1957: Discussion group meeting. Chairman, Mrs. Jiminez; Mrs. Weist, Management Specialist representative and approximately 35 tribal members were in attendance. General termination problems were discussed.

August 22, 1957: Meeting with the executive committee in which appraisal progress and the management plan were discussed.

September 3, 1957: News release was given to the Herald and News by the Management Specialists advising that the tentative management plan was completed and available for the tribal members to study either at Klamath Agency, Chiloquin or Klamath Falls and that the Management Specialists would gladly mail copies of the summary of the plan to any tribal member who would care to have one.

October 1957: Information bulletin concerning the manner of preparing forthcoming election ballots and general information was mailed to all tribal electors whose names and addresses were furnished to the Management Specialists by the Klamath Agency. These information bulletins were sent via certified mail, deliver to addressee only. The attached memorandums dated November 22, December 10, 1957 and January 9, 1958, set forth the success of this mailing.

October 1, 1957: Meeting with the executive committee concerning reports to be presented at Hearing of Senate subcommittee.

October 2, 1957: Hearing of Senate Subcommittee on Indian Affairs in Klamath Falls. This was attended by a fairly large number of tribal members. The Management Specialists presented progress report.

October 3, 1957: Hearing of Senate subcommittee in Portland, Oreg. Attended by a small group of tribal members and a representative of the Management Specialists.

October 14, 1957: Meeting with the executive committee members in which Mr. Wilcox presented interpretations of various appraisal values discussed in Weyerhaeuser Timber Co. proposal which was presented to hearing in Portland, Oreg., on October 3, 1957.

October 23, 1957: Informal meeting held with portions of the executive committee. Most of the discussion pertained to the appraisal.

November 12, 1957: Executive committee met with the Management Specialists. Present were Lang, Kirk, Cook, Crain, Jackson, Crume, Zakoji, O'Neill, and Mathew Spencer.

November 20–22, 1957: Meetings with public lands committee and association of Oregon counties in Portland. These meetings were also attended by several members of the executive committee.

November 25, 1957: Mr. Wilcox, staff forester for the Management Specialists, attended a group meeting at the home of Mr. Don Campagna in Sprague River with 17 adults in attendance, most of whom were tribal members. The meeting covered the concepts of appraisal which the Weyerhaeuser Timber Co. had included as part of their proposed solution to the Klamath termination law and other information related to the appraisal of tribal property and the tentative plan of management. Many questions were asked concerning all parts of the law and more interest was shown than at any other meeting which has been attended by representatives of the Management Specialists office.

December 31, 1957: Meeting with the executive committee (attended by Wilcox in the absence of Mr. Watters). Topics discussed were values of mineral rights, fishing and hunting rights, and other rights not specifically covered by the appraisal.

January 9, 1958: T. B. Watters and E. R. Wilcox met with the executive committee. Main topic of discussion was the deadline date set for suggested changes for the tentative management plan. The executive committee was assured that if they would submit any changes they may have, that these would still be considered by the Management Specialists.

Klamath Indian Education and Training Program

(Authorized under section 26, Public Law 587—Oregon contract number 14-20-500-264)

Report of education-information program, March 1955 to November 1957

I. Publications:

A. Klamath Tribune: 12 issues, 1,115 circulation. A monthly reservation newspaper, published by the education department and mailed to the heads of tribal families on the reservation, in 18 different States including Alaska and Hawaii. This publication includes information on various aspects of Public Law 587, guardianships, proposed amendments, agriculture, home economics, county government, taxation, vocational training, news of the

reservation including activities of the tribal government and the Management Specialists.

B. Klamath Rancher: 5 issues, 75 circulation. A newsletter written by the agriculture specialist and distributed to all Klamath Indian farmers. This included technical information on the improvement of production, water rights, conservation, and services of local agencies.

C. Home extension newsletter: 4 issues, 300 circulation. A bulletin distributed to the Klamath Indian women containing information on homemaking, and the activities and services of the county extension program.

D. Other bulletins, reports, etc.: 31 issues. Distributed to the tribal members in the field and at the public meetings on specific subjects such as guardianships and proposed amendments to Public Law 587.

Copies of all above mentioned publications are being submitted with this report.

II. List of all meetings and conferences organized, conducted, or assisted and attended by Klamath education program staff members:

A. Government agencies: 38. A list of Government agencies with which the education staff held meetings and conferences relating to various reservation problems.

B. Community meetings: 31. Community meetings organized and conducted by the education department for tribal members for informational-educational purposes. Education department assisted only in Modoc Point Water Users Reservation discussion meetings.

C. Management Specialists meetings: 16. Management Specialists meetings attended by education staff members.

D. Tribal meetings: 36. Tribal meetings attended by education staff members.

E. Bureau of Indian Affairs: 24. Conferences and meetings education staff members attended and/or participated in with Bureau of Indian Affairs officials.

F. Civic organizations: 33. Civic organizations with which education department met to discuss various phases of termination, and to promote greater understanding between Indians and non-Indians.

G. Education: 37. Meetings relating to the planning, organization, evaluation, and operation of any aspect of education among the Klamath people.

H. Miscellaneous: 20. Miscellaneous meetings and conferences with individuals and agencies for the exchange of information relating to various phases of the Klamath Indian situation.

A detailed listing of these meetings is being submitted with this report.

III. Number of Klamath tribal members contacted relating to information on termination: 312. Information covered virtually every section of Public Law 587 and the amendments to Public Law 587.

IV. Klamath tribal members contacting the education office in Chiloquin for information: 102. Many of these persons called at the office more than once. The figure 101 represents different individuals.

MEETINGS ATTENDED BY KLAMATH EDUCATION STAFF MEMBERS—REPORT SUBMITTED DEC. 2, 1957

I. A list of Government agencies with which the education staff held meetings and conferences relating to various reservation problems

Government agencies	Date	Present	Topic	Place
	1956			
U. S. Employment Service	Jan. 7	3	Employment problems	Klamath Falls.
County extension	June 18	8	Agriculture—General	Do.
PCA	July 17	2	Indian loans	Do.
County extension	Aug. 29	5	Wood problems	Do.
U. S. Employment Service	Sept. 7	4	Employment problems	Do.
Klamath County court	Sept. 8	5	Reservation, law and order, roads, etc.	Do.
National Farm Labor Association	Sept. 13	3	Credit	Do.
Klamath County court	Sept. 21	5	County problems	Do.
FHA	Sept. 24	3	Credit	Do
County extension	Oct. 1	4	BIA–USAA Agreement	Do.
Visual Aid Department, OSC	Oct. 8	3	Visual aid material	Corvallis.
County extension	Oct. 15	3	4–H problems	Klamath Fa ls.
County welfare department	Oct. 30	3	Welfare problems	Do.
Public Health, education staff conference.	Nov. 16	12	Indian health	Do.
County extension	Nov. 20	4	Agriculture problems	Do.
Public Health Department	Nov. 22	8	Sanitation	Do.
U. S. Government Bond Department.	Nov. 23	3	Government bond program	Portland.
Apprenticeship Council	Nov. 23	3	Apprenticeship program	Do.
Public Health Department	Nov. 26	3	Sanitation	Klamath Falls.
County extension	Dec. 3	3	Home extension	Do.
Do	Dec. 5	75	Disease control	Do.
U. S. Internal Revenue	Dec. 17	2	Taxation problems	Do.
	1957			
County extension	Feb. 1	5	Home extension	Do.
Do	Feb. 7	6	do	Do.
Do	Feb. 14	12	Home economics workshop	Do.
Do	Feb. 21	12	do	Do.
Do	Feb. 28	12	do	Do.
SMOCO-Education staff conference.	Apr. 2	3	Conservation	Chiloquin.
SMOCO	Apr. 26	4	do	KlamathAgency.
Agriculture extension	May 1	3	4–H problems	Klamath Falls.
SMOCO	June 10	3	Agriculture problems	Klamath Agency.
BIA-Circuit Court-education staff-management specialist conference.	Sept. 21	10	Section 15	
Senate hearings	Oct. 2	100	Klamath termination	Klamath Falls.
Do	Oct. 4	50	do	Do.
Juvenile Office	Oct. 28	3	Reservation juvenile problems.	Do.
State interim hearings	Nov. 7	65	Klamath termination	Salem.
Klamath County welfare department.	1956	12	Klamath termination-welfare.	Klamath Falls.
Circuit court-education staff	1956	5	Klamath termination	Do.

II. Community meetings organized and conducted by the education department for tribal members for informational-educational purposes. Education department assisted only in Modoc Point water users reservation discussing meetings

Community meetings	Date	Present	Topic	Place
	1956			
Beatty Community meeting	Nov. 9	70	Management specialist progress report.	Beatty.
Beatty community meeting	Nov. 28	12	Relocation program	Beatty.
Klamath Falls community meeting.	Dec. 12	6	Education-Termination	Klamath Falls.
Williamson River community meeting.	Dec. 13	13-2	do	Willamson River.
Beatty community meeting	Dec. 14	17	do	Beatty.
	1957			
Klamath Falls community meeting	Jan. 9	44	Taxation (County assessor)	Klamath Falls.
Williamson River community meeting.	Jan. 10	65	Education-Termination	Willamson River.
Beatty community meeting	Jan. 11	65	Taxation (County assessor)	Beatty.
Klamath Falls community meeting.	Feb. 6	34	Amendments to P. L. 587 (O'Neill & Blair).	Klamath Falls.
Willamson River community meeting.	Feb. 7	85	do	Willamson River.
Beatty community meeting	Feb. 8	35	do	Beatty.
Modoc Point water users	Feb. 28	12	Water problems	Willamson River.
Klamath Falls community meeting.	Mar. 6	13	Termination problems (Education Staff).	Klamath Falls.
Williamson River community meeting.	Mar 7.	49	do	Willamson River.
Beatty community meeting	Mar. 8		do	Beatty.
Sprague River-Agricultural meeting.	Mar. 20	15	Conservation	Sprague River.
Klamath Falls community meeting	Apr. 10		Termination (educational staff).	Klamath Falls.
Williamson River community meeting.	Apr. 11	13	do	Williamson River.
Sprague River community meeting	Apr. 12	49	do	Sprague River.
Modoc Point water users	Apr. 26	13	Water problems	Williamson River.
Beatty community meeting	May 8	20	Health—Termination public health staff.	Chiloquin.
Chiloquin community meeting	May 9	25	do	Do.
Reservation discussion group	May 13	20	Klamath termination	Williamson River.
Modoc Point water users	June 28	10	Water problems	Do.
Reservation discussion group	July 11	15	Klamath termination	Do.
Klamath Falls—meeting (E. Davis home).	Sept. 13	9	Management plan	Klamath Falls.
Sprague River community	Sept. 21	9	do	Sprague River.
Reservation discussion group	Sept. 26	30	do	Williamson River.
Reservation discussion planning committee.	Oct. 2	8	Plans for discussion meeting	Chiloquin.
Reservation discussion group	Oct. 10	30	Klamath termination (Mark Talney).	Williamson River.
Sprague River community meeting	Nov. 13	22	Klamath termination	Sprague River.

III. Management Specialists meetings attended by educational staff members

Management specialists	Date	Present	Topic	Place
	1956			
Management specialists	Sept. 10	6	Guardianships	Klamath Falls.
Management specialists, education staff.	Nov. 7	6	Section 5	Do.
Management specialists	Nov. 27	2		Do.
Do	Dec. 5	6	Association of counties proposal.	Do.
	1957			
Do	Feb. 20	3		Do.
Do	Mar. 11	4		Do.
Management specialists representing educators.	Mar. 12	3	Election material	Chiloquin.
Management specialists representing educators, election.	Mar. 13	4	Election	Do.
Management specialists	Mar. 15	3	do	Klamath Falls.
Do	May 3	3		Do.
Management specialists, Salem and Chiloquin educators.	Aug. 28	4	Education-termination	Do.
Management specialists	Sept. 3	4		Do.
Executive committee	Sept. 17			Klamath Agency.
Management specialists, Talney, education staff.	Oct. 10	4		Klamath Falls.
Management specialists, executive committee representatives.	Oct. 14	8	Weyerhaeuser proposal	Do.
Management specialists, education staff.	Nov. 5	4	Information program	Do.

IV. Tribal meetings attended by education staff members

Tribal	Date	Present	Topic	Place
	1956			
Executive committee	Feb. 4	15		Klamath Agency.
Do	Feb. 5	7		Klamath Falls.
Interim committee	Feb. 29	5		Do.
General council	Apr. 5	100		Klamath Agency.
Executive committee, management specialists office.	May 28	10		Klamath Falls.
Executive committee	June 4	10		Do.
General Council	July 13	100		Klamath Agency.
Do	July 14	101		Do.
Executive committee	July 24	10		Do.
Executive committee, management specialists office.	Aug. 27	13		Klamath Falls.
Executive committee	Sept. 21	10		Klamath Agency.
Do	Oct. 8	9		Klamath Falls.
Do	Oct. 24	10		Klamath Agency.
Do	Oct. 27	11		Do.
Do	Oct. 29	8		Klamath Falls.
Do	Nov. 12	7		Klamath Agency.
Do	Nov. 27	11		Do.
Executive committee, management specialists office.	Nov. 29	13		Klamath Falls.
Executive committee	Dec. 4	9		Klamath Agency.
Do	Dec. 5	7		Klamath Falls.
Do	Dec. 27	9		Klamath Agency.
	1957			
General council	Jan. 12	75		Do.
County bar, management specialist, executive committee.	Jan. 14	17	Management specialist office.	Klamath Falls.
Executive committee, interim committee.	Jan. 18	5	Management specialist	Do.
Do	Jan. 22	7	do	Do.
General council	Jan. 26	100		Klamath Agency.
Executive committee	Jan. 29	9		Do.
Executive committee, management specialist.	Jan. 31	10		Klamath Falls.
Executive committee	Mar. 19			
Executive committee, management specialist.	Mar. 26	13		Klamath Falls.
General council	Mar. 30	100		Klamath Agency.
Executive committee (no quorum)	Apr. 2	5		Do.
Executive committee, management specialist.	Apr. 25	9		Klamath Falls.
Do	Sept. 30	15	Management plan	Do.
Do	Oct. 1	20	Management plan, Senate hearings.	Do.
Executive committee	Oct. 15	10		Klamath Agency.

V. Conferences and meetings education staff members attended and/or participated in with Bureau of Indian Affairs officials

Bureau of Indian Affairs	Date	Present	Topic	Place
	1956			
BIA, education staff conference	June 6	10	Education, termination	Portland.
Do	June 7	10	do	Do.
Do	June 8	10	do	Do.
Do	June 9	10	do	Do.
Do	June 10	10	do	Do.
Land operations	June 22	3	Agriculture, general	Klamath Agency.
Agency officials	July 24	3	Termination, general	Do.
BIA officials, executive committee education staff.	Sept. 5	15	Klamath termination	Portland.
Do	Sept. 6	15	do	Do.
Agency officials	Sept. 20	3	Guardianships	Klamath Agency.
Do	Sept. 20	4	Hunting and fishing	Do.
Credit department	Sept. 26	3	Credit	Klamath Falls.
Land sale	Oct. 2	50		Klamath Agency.
Credit department	Oct. 11	6	Credit	Do.
SMOCO	Oct. 5	3	Agriculture, credit	Do.
Executive committee, Emmons conference.	Oct. 29	20	Klamath termination	Portland.
BIA, land staff mortgage special representative.	Nov. 14	7	Indian financial problems	Plamath Agency.
SMOCO	Nov. 29	2	J. C. farmer of year	Do.
SMOCO, land operations	Dec. 10	4	Farmer of year	Do.
	1957			
BIA conference	Oct. 21	12	Status, termination program.	Portland.
Do	Oct. 22	12	do	Do.
Do	Oct. 23	12	do	Do.
BIA conference, executive committee.	Oct. 24	12	Trust agreement	Do.
Executive committee, BIA, bank officials.	Oct. 24	18	do	Do.

VI. Civic organizations with which education department met to discuss various phases of termination, and to promote greater understanding between Indians and non-Indians

Civic organizations	Date	Present	Topic	Place
	1956			
Joint council board	Jan. 2	6	General	Chiloquin.
Joint council	Jan. 16	20	do	Do.
Do	Jan. 24	30	do	Do.
Do	Feb. 11	25	do	Do.
Medford Council of Churches	Feb. 27		General; Klamath termination—educational staff and Klamath students.	Medford.
Enter agency council	Mar. 6	60	Klamath history and termination.	Klamath Falls.
Joint council	Mar. 20	30	General	Chiloquin.
Oregon Council of Churches conference.	Apr. 27	150	Klamath termination	Salem.
Community discussion	July 9	20	Public Law 587	Klamath Falls.
Joint council	Sept. 11	12	General	Chiloquin.
Do	Sept. 18	15	Community problems	Do.
United fund	Sept. 24	7		Do.
Joint council	Oct. 2	12	4-H general	Do.
PTA (Roosevelt)	Oct. 16	100	Klamath termination	Klamatb Falls.
PTA (A. H. Wright)	Oct. 21	300	Education	Chiloquin.
Joint Council	Jan. 19	28	Community problems	Klamath Falls.
YMCA service commission	Jan. 20	6	Reservation record. Problems.	Do.
	1957			
Exchange Club	Jan. 24	25	Klamatb termination	Do.
Chiloquiu, PTA	Feb. 10	26	Education	Chiloquin.
Joint council annual award dinner	Feb. 26		Farmer of tbe year (M. Anderson).	Do.
Chiloquin PTA	Apr. 8	25	Vocational-education	Do.
Child guidance board	Apr. 9	100	Cbild guidance services	Klamatb Falls.
Child guidance board meeting	Apr. 10	14	do	Do.
Methodist Youth Fellowsbip	May 15	10	Religion—special problems	Chiloquin.
NAACP (education staff panel)	June 1	25	Klamath education—termination.	Klamatb Falls.
Klamath Falls—joint council	June 3	20	Klamath termination	Do.
cbild Guidance Board	July 11	15	Child guidance services	Do.
League of Women Voters	Sept. 18	30	Klamath termination	Do.
Chiloquin PTA	Nov. 14	97	Klamath termination student progress.	Chiloquin.
Peace Memorial	Nov. 19	100	Klamath termination	Klamath Falls.
Association of University Women	1957	50	do	Do.
Klamatb County Council of Cburch.	1956	30	do	Do.
Klamath Falls Ministerial Association.	1956	20	do	Do.

VII. Meetings relating to the planning, organization, evaluation, and operation of any aspect of education among the Klamath Indian people

Education	Date	Present	Topic	Place
	1956			
Management specialists, executive committee, education staff.	May 7	10	Information program	Klamath Falls.
OTI installation ceremony	May 18	500	Education staff speech	OTI.
Klamath Union High School	May 21	2	Education	Klamath Falls.
OTI, officials	June 13	4	do	Do.
Chiloquin High	July 18	2	do	Chiloquin.
OTI, officials	Sept. 6	4	do	Klamath Falls.
Do	do	5	do	Do.
Business Night School organization	Sept. 17	3	do	Chiloquin.
OTI, new students	Sept. 18	30	Orientation session	Klamath Falls.
Education staff, relocation	Sept. 19	6	Relocation	Chiloquin.
Conference with Salem staff	do	3	Education, termination	Do.
Do	Sept. 20	3	do	Do.
Do	Sept. 21	4	do	Do.
Business Night School organization	Oct. 2	3	Planning	Do.
Do	Oct. 3	7	do	Do.
Salem, conference	Oct. 7	4	Education, termination	Salem.
Principal Klamath Union High School.	Oct. 10	2	do	Klamath Falls.
State board education members	Oct. 15	4	Termination	Chiloquin.
Do	do	100	Education, general	Klamath Falls.
Education staff, executive committee.	Dec. 6	11	Education, termination	Chiloquin.
SMOCO, education	Dec. 10	3	Agricultural problems	Do.
Relocation officials	Jan. 24	8	Relocation-education	Klamath Falls.
Salem conference	Jan. 25	3	Education	Salem.
Conference-Salem staff	Feb. 7	5	do	Chiloquin.
Salem staff conference	Feb. 26	4		Do.
Salem conference	Mar. 22	3	Education-termination	Salem.
Dr. Tisinger	Mar. 27	7	Education	Chiloquin.
Business night school	Apr. 5	12	Taxation-Blair	Do.
Educational advisory council	May 5	15	Educational problems	Do.
Do	May 20	16	do	Do.
SMOCO	June 10	3	Conservation	Klamath Agency.
To June 28, 1957, adult education workshop.	June 17	100	Indian education	Nevada.
To July 2, 1957, conference with Salem staff.	July 1	4	Education-termination	Chiloquin.
State board of education	Sept. 9	15	Klamath education program	Salem.
Salem-Chiloquin-staff conference	Sept. 24	3	Education-termination	Chiloquin.
Salem conference	Oct. 6	2	do	Salem.
Do	Nov. 8	5	do	Do.

VIII. Miscellaneous meetings and conferences with individuals and agencies for the exchange of information relating to various phases of the Klamath Indian situation

Miscellaneous	Date	Present	Topic	Place
	1956			
Chiloquin community discussion	Jan. 11	10	Community problems	Chiloquin.
Do	Jan. 18	13	Planning-organization	Do.
Do	Feb. 9	40	Reservation social-educational problems.	Do.
Do	Feb. 15	11	Planning-organization	Do.
Do	Mar. 14	35	Reservation social-educational problems.	Do.
Do	Apr. 12	40	do	Do.
Piper, attoruey	Sept. 26	2	Guardianships	Klamath Falls.
Oregon Council of Churches	Sept. 27	150	Klamath termination	Salem.
Sam Coon meeting	Oct. 16	30	Political	Chiloquin.
Senate hearings	Oct. 18	100	Klamath termination	Klamath Falls.
National Association of Manufacturers.	Nov. 23	3	Klamath Indian education	Portland.
AFSC program	Dec. 13	10	Klamath project	Klamath Falls.
Conference tribal attorney	Dec. 31	4	Termination, general	Do.
	1957			
IWWA (DeVore)	Jan. 7	2	Klamath labor problems	Do.
IWWA	Feb. 18	2	Employment problems	Do.
Commercial Credit Bureau	do	2	Klamath credit problems	Do.
Oregon Historical Society convention.	Mar. 23	100	Klamath termination	Portland.
Medford Teachers' Association	Mar. 25	50	do	Medford.
Ministers' study group	May 7	7	do	Chiloquin.
Boy Scout officials	do	10	Scouting on reservation	Klamath Agency.
Night business school	May 14	15	Insurance (special speaker)	Chiloquin.
University of Oregon research educational conference.	May 24	8	Termination project—University of Oregon.	Salem
Conger School fifth grade	May 27	30	Klamath history	Klamath Falls
American Friends conference	July 10	2	Klamath Indian project	Do.
U. S. Air Force staff	Aug. 2	5	Klamath children (field trip).	Portland.
Community relations	Aug. 15	25	Social problems	Klamath Falls.
Johns-Manville educational staff conference.	Oct. 28	5	Klamath Indian employment.	Johns-Manville plant.
Assistant area director	Oct. 29	4	Termination—general	Chiloquin.
Medford-Ashland-Klamath Falls congressional committee.	Nov. 6	9	Klamath termination	Klamath Falls.

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LEGISLATIVE HISTORY

Public Law 85-731
S. 3051

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Index and Summary of S. 3051

May	9, 1957	Sen. Neuberger introduced and discussed S. 2047 which was referred to the Senate Interior and Insular Affairs Committee. Print of bill.
Jan.	7, 1958	Rep. Ullman introduced H. R. 9737 which was referred to the House Interior and Insular Affairs Committee. Print of bill.
Jan.	16, 1958	Sen. Neuberger introduced and discussed S. 3051 which was referred to the Senate Interior and Insular Affairs Committee. Print of bill.
Jan.	30, 1958	Rep. Aspinall introduced H. R. 10375 which was referred to the House Interior and Insular Affairs Committee. Print of bill.
Mar.	6, 1958	Senate subcommittee ordered S. 3051 reported with amendments.
April	29, 1958	Senate committee ordered S. 3051 reported with amendments.
May	5, 1958	Senate committee reported S. 3051 with amendments. S. Rept. 1518. Print of bill and report.
May	6, 1958	Senate made S. 3051 the unfinished business.
May	7, 1958	Senate passed S. 3051 as reported.
May	8, 1958	S. 3051 was referred to the House Interior and Insular Affairs Committee. Print of bill as referred.
July	8, 1958	House committee ordered S. 3051 reported with amendment.
July	21, 1958	House committee ordered S. 3051 reported with amendment.
July	25, 1958	House committee reported S. 3051 with amendment. H. Rept. 2278. Print of bill and report.
July	29, 1958	House passed S. 3051 with amendment under suspension of rules.
July	30, 1958	Senate appointed conferees on S. 3051.

July 31, 1958 House appointed conferees on S. 3051.

Aug. 12, 1958 House received conference report on S. 3051. H. Rept. 2544. Print of report.

Aug. 14, 1958 Both Houses agreed to the conference report.

Aug. 23, 1958 Approved: Public Law 85-731

Hearings: Senate Committee on Interior and Insular Affairs' Subcommittee on Indian Affairs, Oct. 2 and 4, 1957; Part 1.

Senate Committee on Interior and Insular Affairs' Subcommittee on Indian Affairs, Feb. 1958; Part 2.

DIGEST OF PUBLIC LAW 85-731

SALE OF KLAMATH INDIAN TIMBER LANDS. Amends the Act of August 13, 1954, which provides for terminating Federal supervision over the Klamath Indian Tribe, so as to provide in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold. Provides that the portion of the Klamath Indian forest to be sold will be divided into a number of units and offered for sale to purchasers who agree to manage the forest land according to sustained-yield procedures so as to furnish a continuous supply of timber. Plans for such management will become a part of the conveyancing instruments for units sold and will be enforced by the Secretary of Agriculture. Forest units not sold to private parties before April 1, 1961, will be Federally purchased and administered as national-forest lands by this Department. Tribal lands comprising the Klamath marsh will be purchased by the Government and administered by the Secretary of Interior as the Klamath Forest National Wildlife Refuge.

S. 2047

85TH CONGRESS
1ST SESSION

S. 2047

IN THE SENATE OF THE UNITED STATES

MAY 9, 1957

Mr. NEUBERGER (for himself and Mr. Morse) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (68 Stat. 718), is amended by striking out paragraphs (d) and (e) of such section and inserting in lieu thereof the following:

"(d) 'Tribal property' means any personal property, or any interest in personal property, that belongs to the tribe

and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

"(e) 'Adult' means a person who is an adult according to the law of the place of his residence.

"(f) 'Tribal lands' means any real property, interests therein, or improvements thereon, including timber and water rights, which belong to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States."

(b) The first paragraph of subsection (a) of section 5 of such Act is amended by striking out "by practicable logging or other appropriate economic units".

(c) Section 12 of such Act is amended by striking out "transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this Act" and inserting in lieu thereof "acquisition by the Secretary of the tribal lands referred to in this Act".

(d) Such Act is amended by adding at the end thereof the following new sections:

"SEC. 27. Notwithstanding any other provision of this Act, the Secretary shall purchase from the Klamath Indian Tribe all tribal lands of such tribe at the fair market value

thereof as determined in accordance with the provisions of section 28 of this Act.

"SEC. 28. (a) There is hereby established an appraisal board to be composed of three qualified appraisers who have had wide experience in the valuation of timberlands, agricultural lands, and grazing lands, one of whom shall be appointed by the Secretary of the Interior and one of whom shall be appointed by the Secretary of Agriculture. The third member of the Board shall be elected by the Klamath Tribe by popular vote of the enrolled adult members of the Klamath Tribe taken by secret ballot.

"(b) It shall be the duty of the appraisal board to determine the fair market value of all tribal lands of the Klamath Tribe, and to report to the Committee on Interior and Insular Affairs of each House of the Congress during the Eighty-fifth Congress the results of such determination. Such report shall be submitted to both committees on the same day. In the event of disagreement among members of the appraisal board as to the fair market value, such value shall be determined by a majority of the board.

"(c) The appraisal provided for under this section shall become effective upon the expiration of a period of sixty calendar days of continuous session of the Congress following the date on which the appraisal board reports to such committees the results of its determination in accordance

with the provisions of this section. For the purposes of this section—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

"SEC. 29. (a) Any part of the tract of tribal lands acquired pursuant to section 27 of this Act which consists of timberlands under sustained-yield management shall be transferred to and administered by the Forest Service of the Department of Agriculture as national forest lands. Such lands shall be administered in the same manner and to the same extent as are other national forest lands, and shall be subject to the same laws applicable to other national forest lands.

"(b) The Secretary of Agriculture is authorized and empowered, under general regulations established by him, to permit the use of rights-of-way through lands referred to in this section for beneficial purposes.

"SEC. 30. (a) Any remaining tribal lands acquired pursuant to section 27 of this Act, other than lands referred to in subsection (b) of this section, shall be sold on a competi-

tive bid basis, except that, any member enrolled under section 3 of this Act who wishes to purchase any of the agricultural or grazing lands comprising such remaining tribal lands shall have a priority right to purchase any part of such lands for not less than the highest offer received by competitive bid, and to apply toward the purchase price all or any part of the sum payable to such member pursuant to section 31 of this Act.

"(b) That portion of the tract of tribal lands acquired pursuant to section 27 of this Act comprising approximately seventy thousand acres of Klamath marsh lands shall be administered by the Fish and Wildlife Service of the Department of the Interior.

"SEC. 31. Notwithstanding any other provision of this Act, the Secretary shall pay, at the earliest practicable time but in no event later than one year after the acquisition by the United States of the tribal lands referred to in this Act, to each member of the Klamath tribe enrolled pursuant to section 3 of this Act, or to his heirs, his pro rata share of the purchase price of such tribal lands.

"SEC. 32. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act."

85TH CONGRESS
1ST SESSION

S. 2047

A BILL

To provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians.

By Mr. NEUBERGER and Mr. MORSE

MAY 9, 1957
Read twice and referred to the Committee on Interior and Insular Affairs

CARLSON, the United States Senators from Kansas, to use their good offices to the end that the vacancy now existing be filled or given to a resident lawyer from the State of Kansas.

In witness whereof, I have hereunto set my hand. Done in Wichita, Kans., this 27th day of April 1957.

O. B. EDISON,
President, the Bar Association of the State of Kansas.

Attest:

JOHN W. SHUART,
Executive Secretary.

To the Committee on Finance:

Be it resolved by the Bar Association of the State of Kansas, That this association recommend passage of the Jenkins-Keogh bill currently under consideration, and that appropriate notice of this resolution by the association be communicated to the Senators and Congressmen from Kansas and to the members of the congressional committees who have the matter under consideration.

In witness whereof, I have hereunto set my hand. Done in Wichita, Kans., this 27th day of April 1957.

O. B. EDISON,
President, the Bar Association of the State of Kansas.

Attest:

JOHN W. SHUART,
Executive Secretary.

PRESERVATION OF OLD HURON CEMETERY, KANSAS CITY, KANS., AS A NATIONAL MONUMENT—RESOLUTION

Mr. CARLSON. Mr. President, I have received a copy of a resolution adopted by the United States Daughters of 1812 in their State council meeting, urging that the old Huron Cemetery in Kansas City be made a national monument.

Early in this session I introduced a bill providing that this outstanding historic site be preserved for future generations, as it is one of the old historic cemeteries in the State of Kansas.

It is important for the preservation of this cemetery that action be taken at an early date, and it is my hope that the Committee on Interior and Insular Affairs will report the bill in the very near future.

I present the resolution and ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

NATIONAL SOCIETY UNITED STATES DAUGHTERS OF 1812,
Wichita, Kans., April 30, 1957.

Senator FRANK CARLSON,
Washington, D. C.

DEAR SIR: The United States Daughters of 1812 in State council at Newton, Kans., March 30, 1957, adopted the following resolution:

"Whereas the United States Daughters of 1812, Kansas Society, is a patriotic organization, one of whose purposes is the preservation of the graves of the soldiers of the War of 1812; and

"Whereas it has been proposed that the old Huron Cemetery in Kansas City be made a national monument; and

"Whereas there is a grave of a soldier of the War of 1812 in this cemetery: Therefore be it

"Resolved by the Kansas Society of the Daughters of 1812 in State council assembled at Newton, Kans., March 30, 1957, That the Kansas representatives in Congress be requested to support the bill, and that a copy of this resolution be sent to the representatives."

Respectfully yours,

MARY M. MEARS,
(Mrs. R. B.)
State Corresponding Secretary.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, AS AMENDED—REPORT OF A COMMITTEE

Mr. ANDERSON. Mr. President, from the Joint Committee on Atomic Energy, I report an original bill, to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and I submit a report (No. 296) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2051) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, was read twice by its title, and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 2043. A bill for the relief of Genoveffa Migliozzi; to the Committee on the Judiciary.

S. 2044. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

S. 2045. A bill for the relief of Filomena Ciabattoni, Francesco Ciabattoni, and Corradina Ciabattoni; to the Committee on the Judiciary.

By Mr. MARTIN of Pennsylvania:

S. 2046. A bill for the relief of Gisela S. Hopkins; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 2047. A bill to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD:

S. 2048. A bill for the relief of Rosanna Nannipieri Harper; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 2049. A bill for the relief of Gina Knezevic, also known as Gina Knezevic Slodojevic; to the Committee on the Judiciary.

By Mr. PURTELL:

S. 2050. A bill to provide for promotion by merit of employees in the postal service and to establish uniform procedures for examination and appointment of candidates for promotion to supervisory positions; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. PURTELL when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 2051. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; placed on the calendar.

(See the remarks of Mr. ANDERSON when he reported the above bill, which appear under a separate heading.)

By Mr. KERR:

S. 2052. A bill for the relief of Heinz Farmer; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 2053. A bill to authorize the construction, operation, and maintenance of the Canton project, Oklahoma, by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. COOPER:

S. 2054. A bill for the relief of Glen R. Bryant; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas:

S. J. Res. 89. Joint resolution to authorize and request the President to proclaim 1 week each year as National Junior Achievement Week; to the Committee on the Judiciary.

By Mr. SMATHERS (for himself and Mr. COTTON):

S. J. Res. 90. Joint resolution to authorize the Secretary of Commerce to sell certain coal-burning vessels to certain citizens of the Federal Republic of Germany; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER:

S. J. Res. 91. Joint resolution placing certain individuals who served in the Armed Forces of the United States in the Moro Province, including Mindanao, and in the island of Leyte, Luzon and Samar, after July 4, 1902, and their survivors, in the same status as those who served in the Armed Forces during the Philippine Insurrection and their survivors; to the Committee on Finance.

ACQUISITION OF TRIBAL LANDS OF THE KLAMATH TRIBE OF INDIANS

Mr. NEUBERGER. Mr. President, Public Law 587, 83d Congress, approved August 13, 1954, provided for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof. Section 5 of the law authorized the Secretary of the Interior to select and contract with qualified management specialists to perform the following duties:

First. Cause an appraisal to be made of all tribal property showing its fair market value by practical logging or other appropriate economic units.

Second. Give each adult member of the tribe an opportunity to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in a management plan.

Third. Determine and select the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interests converted into money, arrange for the sale of such property, and distribute the proceeds of sale among the members entitled thereto.

Fourth. Cause a plan to be prepared in form and content satisfactory to the tribe and to the Secretary for the management of tribal property retained by those persons who remain in the tribe. This management plan would be carried on under a trustee, or by the tribe operating as a corporation or other legal entity.

The foregoing actions must be completed by March 31, 1958.

At the time the termination bill was passed, I expressed grave and serious doubts over the basic policy involved—

although I was then a writer and a member of the Oregon State Senate, rather than a Member of this body. I felt that the termination legislation was too precipitate, that it had been hastily conceived, and that it gave scant forethought to the fate not only of the Indians, but of the natural resources on the reservation.

NATURAL RESOURCES MUST BE SAVED FROM DESTRUCTION

But the 83d Congress enacted the bill and President Eisenhower signed it. The bill became the law of the land. It is still the law of the land. Our task now is to try to make the best of a bad bargain, and to do what we can for the welfare of the Indians, for the economy of the Klamath Basin, and for the permanent and enduring preservation of priceless resource values. As Chairman of the Indian Affairs Subcommittee, I pledge myself and my utmost efforts to those goals.

The forests of the Klamath Reservation contain approximately 3,800 million board feet of tribally owned ponderosa and sugar pine timber growing on 590,000 acres classed as commercial timberland. This tribal forest, which has been operated under sustained-yield management for many years, represents approximately 90 percent of the assets of the Klamath Indians.

The Committee on Interior and Insular Affairs and its Subcommittee on Indian Affairs held hearings on May 21 and October 18, 1956, both in Washington, D. C., and Klamath Falls, Oreg., on the subject of the Klamath Termination Act. Testimony received from members of the Klamath Tribe, from the management specialists, from representatives of the Department of the Interior, and from interested citizens reflected great concern about the workability of the termination program. Of particular interest to the committee were the results of the studies conducted by and under the direction of the management specialists which indicate that 70 percent of the Klamath Indians will elect to withdraw from tribal membership. In order to satisfy the claims of the withdrawees, it is estimated that the provisions of section 5 of Public Law 587 may require the sale of almost 2.7 billion board feet of sawtimber during a period of less than 1 year. These sales would undoubtedly glut the timber market in the Klamath Basin, bring greatly reduced stumpage prices to the Indians, and virtually destroy a sustained-yield forest capable of furnishing millions of board feet of timber annually.

BILL HAS PASSED SENATE TO DEFER LIQUIDATION

The damage to the watershed, to wildlife and waterfowl and to lasting forest management under such circumstances would be unthinkable.

It was obvious to the committee that an amendment to extend the final termination date was necessary and, in addition, that other corrective measures were desirable in order to carry out the termination in a manner which will safeguard the interests of the Indians and the community in which they live.

In January of this year I introduced, on behalf of my colleague, the senior Senator from Oregon [Mr. MORSE], and myself, Senate bill 469, which provided, among other things, that the sales of tribal property would be delayed until the end of the 2d session of the 85th Congress. Senate bill 469 has passed the Senate and I trust will shortly be acted upon by the House, although some House amendments to it are disturbing and inadvisable, as I see it.

By postponing the sales of Klamath timberlands, Congress will afford itself an opportunity to consider alternative means of protecting the economy and preserving good conservation practices in the Klamath River Basin. One alternative which has been suggested by the management specialists, and by many interested groups in Oregon, is that the Federal Government purchase all of the Klamath tribal property, and provide for continued sustained-yield management of the tribal forest. I may say that I, too, believe this procedure to be in the best interests of all parties concerned. Therefore, I am today introducing proposed legislation on behalf of my colleague, the senior Senator from Oregon [Mr. MORSE] and myself, designed to accomplish the following purposes:

First. Provide for purchase by the Secretary of the Interior of all Klamath tribal lands at the fair market value thereof.

Second. Establish a 3-man appraisal board to determine the fair market value of the tribal lands and report to the Interior Committees of each Chamber during the 85th Congress its findings.

Third. Transfer the timberlands, upon acquisition, to the Forest Service of the Department of Agriculture for consolidation and management by that agency, as national-forest lands.

Fourth. Provide that lands, other than timberlands, shall be sold on a competitive-bid basis with a priority right for the members of the tribe to purchase such lands.

Fifth. Provide for the administration of the 70,000-acre Klamath marsh by the Fish and Wildlife Service of the Department of the Interior, for waterfowl sanctuary and nesting purposes.

Sixth. Authorize necessary appropriations to carry out the terms of the act and provide for payment to the individual Indians, within 1 years after Federal acquisition, their pro rata share of the purchase price of the tribal property.

In view of the relatively short time remaining in the Klamath terminal program, I believe it is essential this legislation be introduced, and that the views of the administration, the Indians, and conservation groups be obtained through early hearings, so that Congress may enact a bill which will conserve the very substantial pine forests on the reservation for future generations, and, at the same time, provide fair payment to the Indians for their assets.

FAIR TREATMENT FOR INDIANS MUST BE A MAJOR GOAL

As a conservationist and as a lifelong resident of the State of Oregon, I feel that this proposed legislation is urgently necessary. To cut adrift the great Ponderosa pine forest, to say nothing of abandoning the irreplaceable marshlands, would be to default on all our obligations to future generations of people not only in Oregon, but throughout the Nation. We are merely the temporary custodians of resources such as this. They are not ours to surrender for utter destruction and exploitation. I believe the solution posed in our proposed bill will secure the maximum possible price for the Indians of the Klamath Tribe, without sacrificing to cut-out-and-get-out methods of logging these vast solitudes of pine timber. Surely, the Congress of the United States and the President of the United States cannot fail to join with us in such an objective.

Furthermore, I want to express here my full confidence that, once the Indian stumpage is added to contiguous national forests, it will be managed with ability and with faithfulness to sound conservation and marketing principles by the dedicated officials and personnel of the United States Forest Service.

Mr. President, I introduce a bill to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians, with the request that the bill be printed in the RECORD following my remarks, and that it be appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2047) to provide for the acquisition by the United States of all tribal lands of the Klamath Tribe of Indians, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 2 of the act entitled "An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (68 Stat. 718), is amended by striking out paragraphs (d) and (e) of such section and inserting in lieu thereof the following:

"(d) 'Tribal property' means any personal property, or any interest in personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

"(e) 'Adult' means a person who is an adult according to the law of the place of his residence.

"(f) 'Tribal lands' mean any real property, interests therein, or improvements thereon, including timber and water rights, which belong to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States."

(b) The first paragraph of subsection (a) of section 5 of such act is amended by striking out "by practicable logging or other appropriate economic units."

(c) Section 12 of such act is amended by striking out "transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this act" and inserting in lieu thereof "acquisition by the Secretary of the tribal lands referred to in this act."

(d) Such act is amended by adding at the end thereof the following new sections:

"SEC. 27. Notwithstanding any other provision of this act, the Secretary shall pur-

chase from the Klamath Indian Tribe all tribal lands of such tribe at the fair market value thereof as determined in accordance with the provisions of section 28 of this act.

"SEC. 28. (a) There is hereby established an appraisal board to be composed of three qualified appraisers who have had wide experience in the valuation of timberlands, agricultural lands, and grazing lands, one of whom shall be appointed by the Secretary of the Interior and one of whom shall be appointed by the Secretary of Agriculture. The third member of the board shall be elected by the Klamath Tribe by popular vote of the enrolled adult members of the Klamath Tribe taken by secret ballot.

"(b) It shall be the duty of the appraisal board to determine the fair market value of all tribal lands of the Klamath Tribe, and to report to the Committee on Interior and Insular Affairs of each House of the Congress during the 85th Congress the results of such determination. Such report shall be submitted to both committees on the same day. In the event of disagreement among members of the appraisal board as to the fair market value, such value shall be determined by a majority of the board.

"(c) The appraisal provided for under this section shall become effective upon the expiration of a period of 60 calendar days of continuous session of the Congress following the date on which the appraisal board reports to such committees the results of its determination in accordance with the provisions of this section. For the purposes of this section—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

"SEC. 29. (a) Any part of the tract of tribal lands acquired pursuant to section 27 of this act which consists of timberlands under sustained-yield management shall be transferred to and administered by the Forest Service of the Department of Agriculture as national forest lands. Such lands shall be administered in the same manner and to the same extent as are other national forest lands, and shall be subject to the same laws applicable to other national forest lands.

"(b) The Secretary of Agriculture is authorized and empowered, under general regulations established by him, to permit the use of rights-of-way through lands referred to in this section for beneficial purposes.

"SEC. 30. (a) Any remaining tribal lands acquired pursuant to section 27 of this act, other than lands referred to in subsection (b) of this section, shall be sold on a competitive bid basis, except that, any member enrolled under section 3 of this act who wishes to purchase any of the agricultural or grazing lands comprising such remaining tribal lands shall have a priority right to purchase any part of such lands for not less than the highest offer received by competitive bid, and to apply toward the purchase price all or any part of the sum payable to such member pursuant to section 31 of this act.

"(b) That portion of the tract of tribal lands acquired pursuant to section 27 of this act comprising approximately 70,000 acres of Klamath marshlands shall be administered by the Fish and Wildlife Service of the Department of the Interior.

"SEC. 31. Notwithstanding any other provision of this act, the Secretary shall pay, at the earliest practicable time but in no event later than 1 year after the acquisition by the United States of the tribal lands referred to in this act, to each member of the Klamath Tribe enrolled pursuant to section 3 of this act, or to his heirs, his pro rata share of the purchase price of such tribal lands.

"SEC. 32. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated such sums as may be necessary to carry out the provisions of this act."

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr MORSE. I congratulate my colleague for the introduction of the bill, so that early hearings can be held. We are not married to any provision of it, if the hearings can show it needs to be modified in any way; but it is a sound bill in the main, and I think the junior Senator from Oregon should be congratulated on the statesmanship he has exercised in regard to this highly controversial issue in the State of Oregon.

PROMOTION BY MERIT OF CERTAIN POSTAL EMPLOYEES

Mr. PURTELL. Mr. President, I introduce, for appropriate reference, a bill to provide for promotion by merit of employees in the postal service and to establish uniform procedures for examination and appointment of candidates for promotion to supervisory positions.

This bill is substantially the same as the measure I introduced in the 83d Congress, known as S. 2244, and in the 84th Congress, known as S. 155.

This proposal, if enacted, would provide promotion by merit for regular clerks and carriers in grade 7 and above, in first- and second-class post offices. In order to qualify for promotion, each candidate must pass a regular examination designed to measure the ability of the candidate to perform the duties of the position, including the ability to lead and direct the work of others. Credit would also be given for prior service as a classified employee of the postal service.

The adoption of this proposed legislation will assure to all regular clerks and carriers in grade 7 and above the opportunity for promotion solely on the basis of demonstrated ability and length of service.

I believe the passage of this measure will do much to build morale, to stimulate and encourage clerks and carriers to advance in the service. Merit promotion, with consideration given to length of service for all qualified by examination, is only fair and just.

This measure, if enacted, will provide incentive to present and future employees to prepare for advancement with the assurance that, when otherwise qualified, length of service will be a factor in promotion.

This measure calls for a procedure that is fair and just. It provides an equitable way for advancement through the ranks of the postal service.

I am pleased to report that this is the same measure to which the Senate Post Office and Civil Service Committee gave a unanimous favorable report upon its first introduction in the 83d Congress. I trust it will be speedily considered by the committee to which it is referred.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2050) to provide for promotion by merit of employees in the postal service and to establish uniform procedures for examination and appointment of candidates for promotion to supervisory positions, introduced by Mr. PURTELL, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF FAIR LABOR STANDARDS ACT, RELATING TO CERTAIN EXEMPTIONS—ADDITIONAL COSPONSOR OF BILL

Mr. FREAR. Mr. President, the next time it is printed, I ask unanimous consent that the name of the junior Senator from Maryland [Mr. BEALL] may be added as a cosponsor of the bill (S. 2022) to amend section 13 of the Fair Labor Standards Act of 1938, as amended, to provide an exemption from the minimum wages, maximum hours, and child labor provisions of such act with respect to homeworkers engaged in the making of natural holly, pine, cedar, or other evergreen wreaths, introduced by me, for myself, my colleague, the senior Senator from Delaware [Mr. WILLIAMS], and the senior Senator from Maryland [Mr. BUTLER] on May 8, 1957.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JENNER:

Address delivered by him before the Daughters of the American Revolution, April 16, 1957.

Statement prepared by him regarding the tours of Dizzy Gillespie and his jazz band.

Article entitled "How You Can Stop Big Spending," written by him, and published in Human Events for March 16, 1957.

Article entitled "Proxy Fights and Stock Raids," written by George E. Sokolsky, and published in the Washington Post and Times Herald of April 1, 1957.

Concurrent resolutions of the General Assembly of the State of Indiana, as follows: Proposing an amendment to the United States Constitution by which States may propose amendments to the Constitution; proposing an amendment to the Constitution providing when treaties or executive agreements shall have effect; proposing an amendment to the Constitution providing for direct election of electors for President and Vice President; proposing an amendment to the Constitution for repeal of the income-tax amendment; proposing an amendment to the Constitution providing for submission by the President of his budget to Congress; which will appear hereafter in the Appendix.

By Mr. CARLSON:

Address delivered by Hon. Meyer Kestnbaum at third annual career service awards dinner, May 6, 1957.

By Mr. CASE of New Jersey:

Excerpt from a recent statement by the board of regents of the University of the State of New York on meeting the needs in higher education in New York State.

Article entitled "High Cost of Going to College Is Causing Concern Among Students

in Schools," published in the New York Times of May 5, 1957.

By Mr. JOHNSON of Texas:

Editorial entitled "Welcome, President Diem," published in the New York Times.

By Mr. COOPER:

Editorials and articles commenting on S. 1855 relating to authorization of Tennessee Valley Authority to issue revenue bonds to finance necessary power expenses.

By Mr. CLARK:

Editorial entitled "False Economy on Delaware Channel," published in the Philadelphia Inquirer of May 9, 1957.

By Mr. ALLOTT:

News article and editorials concerning article on the American West by Prof. Walter P. Webb, published in the current Harper's magazine.

By Mr. FULBRIGHT:

Column entitled "Sports Emissaries Reach World Youth," written by Malvina Lindsay; and column entitled "Popularity and Power," written by Walter Lippmann.

By Mr. SPARKMAN:

Article entitled "Humphrey Backs Byrd Bill To Limit Fast Writeoffs to Defense Needs," published in the Wall Street Journal of May 8, 1957.

By Mr. NEUBERGER:

Article entitled "Centennial Shapes Up on Drawing Board," published in the Oregon Journal of Portland, Oreg., on April 4, 1957, summarizing plans under way to commemorate Oregon's admission to the Union.

By Mr. MALONE:

Article entitled "A Legacy From McCarthy," written by David Lawrence; which will appear hereafter in the Appendix.

By Mr. BEALL:

Editorial entitled "Blunt Mr. Benson," from the Baltimore Sunday Sun.

NOTICE OF HEARINGS ON SMALL BUSINESS LEGISLATION

Mr. CLARK. Mr. President, on behalf of the Subcommittee on Small Business of the Committee on Banking and Currency, I desire to give notice that open hearings will be held on S. 55, S. 244, S. 246, S. 300, S. 545, S. 719, S. 720, S. 1762, S. 1789, S. 1992, and any other bills which may be referred subsequently to the subcommittee. These hearings will begin at 10 a. m. on Monday, June 3, 1957, in room 301, Senate Office Building, and will continue for several days thereafter.

All persons who desire to appear and testify at the hearings are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone National 8-3120, extension 836, not later than Friday, May 24, 1957.

NOTICE OF HEARINGS ON SECURITIES MATTERS

Mr. LAUSCHE. Mr. President, the Securities Subcommittee of the Committee on Banking and Currency will begin public hearings on May 20 on the following subject matters:

First. Proxy solicitations, including S. 594—CAPEHART—and S. 1601—CAPEHART.

Second. Increase in the exemptive limit for registration of securities, including S. 810—THYE—and S. 843—SPARKMAN.

Extending SEC jurisdiction to certain securities traded over the counter, including S. 1168—FULBRIGHT.

Anyone interested in testifying before the subcommittee on any of these topics should so indicate in writing to Mr. J. H. Yingling, chief clerk, Senate Committee on Banking and Currency, 303 Senate Office Building, Washington, D. C., as soon as possible, and no later than Friday, May 24, 1957.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. McCLELLAN. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Maurice Augustus Crews, of Pennsylvania, to be an Assistant Commissioner of Patents, vice Arthur W. Crocker, elevated.

Lloyd H. Burke, of California, to be United States attorney for the northern district of California for a term of 4 years—reappointment.

Frederick W. Kaess, of Michigan, to be United States attorney for the eastern district of Michigan for a term of 4 years—reappointment.

William B. Somers, of North Carolina, to be United States marshal for the middle district of North Carolina for a term of 4 years—reappointment.

Albert W. Saegert, of Texas, to be United States marshal for the western district of Texas for a term of 4 years—reappointment.

George W. Beach, of New Mexico, to be United States marshal for the district of New Mexico for a term of 4 years—reappointment.

Noah W. Riley of Wyoming, to be United States marshal for the district of Wyoming for a term of 4 years—reappointment.

William E. Smith, of New York, to be United States marshal for the eastern district of New York for a term of 4 years—reappointment.

William Budd Parsons, of Washington, to be United States marshal for the western district of Washington for a term of 4 years—reappointment.

Saul Hale Clark, of Idaho, to be United States marshal for the district of Idaho for a term of 4 years—reappointment.

John O. Henderson, of New York, to be United States attorney for the western district of New York for a term of 4 years—reappointment.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, May 17, 1957, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

CONTINUANCE OF SCHOOL-LUNCH PAYMENTS FOR NEEDY INDIAN CHILDREN

Mr. MURRAY. Mr. President, considerable interest has been expressed in my bill, S. 1787, to amend Public Law 874, 81st Congress, in order to revise the provisions with respect to certain payments for the education of Indian children. I have prepared a brief statement explaining the purpose of this bill, which is before the Labor and Public Welfare Committee. I ask unanimous consent to have the statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE PURPOSE OF S. 1787

S. 1787 amends Public Law 874, the Federal impact school bill, to provide for continuance of school-lunch payments for needy Indian children under the Indian Education Act (Johnson-O'Malley Act—48 Stat. 596), even though the school district is reimbursed from Public Law 874 funds.

At present, by interpretation of the Indian Bureau, if a school district receives funds for the education of Indian children under Public Law 874, it cannot receive funds for school lunches for needy Indian children under the Johnson-O'Malley Act.

S. 1787 further eliminates the clause (sec. 10) in Public Law 874 which provides that the governor of any State must decide whether all districts concerned in his State shall be under Public Law 874, or all under Johnson-O'Malley for education of Indian children.

Some districts in certain States prefer one method, some prefer the other. The governor should not have to decide to the advantage of some, against the advantage of the others. This decision should be left to the local school boards concerned.

Mr. JOHNSON of Texas. Mr. President, if no other Senator desires to address the Senate at this time, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Under the previous order, the Senate is to take a recess, subject to the call of the Chair, and is then to proceed to the Hall of the House of Representatives.

At 12 o'clock and 15 minutes p. m., pursuant to the order previously entered, the Senate took a recess, subject to the call of the Chair.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY PRESIDENT OF VIETNAM

Thereupon, the Senate, preceded by the Secretary (Felton M. Johnston), the Sergeant at Army (Joseph C. Duke), the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives for the purpose of attending the joint meeting to hear the address to be delivered by His Excellency Ngo Dinh Diem, President of Vietnam.

(For the address delivered by the President of Vietnam, see pp. 5978–5979 of the House proceedings in today's CONGRESSIONAL RECORD.)

The Senate returned to its Chamber at 1 o'clock and 4 minutes p. m., and

H. R. 9737

85TH CONGRESS
2D SESSION

H. R. 9737

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1958

Mr. ULLMAN introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To provide for the acquisition by the United States of tribal lands of the Klamath Tribe of Indians.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes," approved August 13, 1954 (68 Stat. 718), as amended by the Act entitled "An Act to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, to defer sales of tribal property, and for other pur-

poses," approved August 14, 1957 (71 Stat. 347), is further amended by striking paragraph (d) of such section and inserting in lieu thereof the following:

"(d) 'Tribal property' means any personal property, or any interest in personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

"(e) 'Tribal lands' means any real property, interests therein, or improvements thereon, including timber and water rights, which belong to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

"(f) 'Adult' means a person who is an adult according to the law of the place of his residence."

(b) The first paragraph of subsection (a) of section 5 of such Act is amended by adding a period following the word "value" and striking out "by practicable logging or other appropriate economic units."

(c) Section 12 of such Act is amended by strking out "transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this Act" and inserting in lieu thereof "acquisition by the Secretary of the tribal lands referred to in this Act."

(d) Such Act is amended by adding at the end thereof the following new sections:

"SEC. 28. Notwithstanding any other provision of this Act, the Secretary shall purchase from the Klamath Indian Tribe all tribal lands of such tribe at the fair market value thereof as determined in accordance with the provisions of section 29 of this Act: *Provided,* That such purchase shall not include cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within six months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 27 of this Act: *Provided further,* That the tribe and the State of Oregon shall have six months from and after the enactment of this Act within which to agree to choose and dedicate certain areas within the reservation as State parks. Such areas are to be deducted from the total area to be purchased pursuant to section 28 of this Act, and shall constitute gifts from the tribe to the State of Oregon. It is the intention of the Congress that such parks shall be named for and constitute memorials to such former leaders of the tribe as shall be designated by the tribe.

"SEC. 29. (a) There is hereby established an appraisal board to be composed of three qualified appraisers who have had wide experience in the valuation of timberlands, agricultural lands, and grazing lands, one of whom shall be appointed by the Secretary of the Interior and the Secretary of Agriculture, one by the Governor of Oregon, and one by the executive committee of the tribe. The appraisers shall be compensated at predetermined per diem rates to be set by the Secretary. Per diem charges and necessary expenses shall be paid pursuant to the provisions of section 5 (b) of this Act.

"(b) It shall be the duty of the appraisal board to determine the fair market value of all tribal lands of the Klamath Tribe, and to report to the Committee on Interior and Insular Affairs of each House of the Congress the results of such determination within one year following approval of this Act. Such report shall be submitted to both committees on the same day. In the event of disagreement among members of the appraisal board as to the fair market value, such value shall be determined by a majority of the board. In arriving at the fair market value, the appraisal board shall consider such elements of value as are generally accepted by the appraisal profession, and may utilize basic data accumulated and utilized by appraisers retained by the

qualified management specialists pursuant to subsection (1) of section 5 (a) hereof.

"(c) The appraisal provided for under this section shall become effective upon the expiration of a period of sixty calendar days of continuous session of the Congress following the date on which the appraisal board reports to such committees the results of its determination in accordance with the provisions of this section. For the purposes of this section—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

"SEC. 30. (a) Any part of the tract of tribal lands acquired pursuant to section 28 of this Act which consists of timberlands under sustained-yield management shall be transferred to and administered by the Forest Service of the Department of Agriculture as national forest lands. Such lands shall be administered in the same manner and to the same extent as are other national forest lands, and shall be subject to the same laws applicable to other national forest lands.

"(b) The Secretary of Agriculture is authorized and empowered, under general regulations established by him, to permit the use of rights-of-way through lands referred to in this section for beneficial purposes.

"SEC. 31. (a) Any remaining tribal lands acquired pursuant to section 28 of this Act, other than lands referred to in subsection (b) of this section, shall be sold on a competitive bid basis, except that, any member enrolled under section 3 of this Act who wishes to purchase any of the agricultural or grazing lands comprising such remaining tribal lands shall have a priority right, for his account but not as an agent for others, to purchase any part of such lands for not less than the highest offer received by competitive bid, and to apply toward the purchase price all or any part of the sum payable, including redemption of bonds issued pursuant to section 32 of this Act. In the event that two or more enrolled members wish to purchase the same land, the disposition of such lands among such applicants shall be determined on a competitive bid basis at not less than the previous high bid submitted by a nonmember. Any transaction between the purchaser and a third party pursuant to this provision entered into within three years following approval of this Act shall raise a presumption that the original purchase was consummated by the purchaser as an agent for others.

"(b) That portion of the tract of tribal lands acquired pursuant to section 28 of this Act comprising approximately twenty-one thousand acres of Klamath marsh lands shall be administered by the Fish and Wildlife Service of the Department of the Interior.

"SEC. 32. Payment for the lands purchased by the Secretary pursuant to section 28 hereof shall be made to the persons listed on the final Klamath roll published in the Federal Register for November 21, 1957, or to persons acting for them pursuant to section 15 hereof, in twenty equal annual installments, the first installment to be paid within six months following the completion of the procedure under section 29 of this Act. Interest at 4 per centum per annum shall be paid at the time of payment on each installment. Balances due to such tribal members shall be evidenced by nonnegotiable, nonassignable bonds issued by the Secretary of the Treasury. The bonds shall be issued and payments shall be made by the Secretary of the Treasury under appropriate rules or regulations to be promulgated by him.

"SEC. 33. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act."

85TH CONGRESS
2D SESSION

H. R. 9737

A BILL

To provide for the acquisition by the United States of tribal lands of the Klamath Tribe of Indians.

By Mr. ULLMAN

JANUARY 7, 1958

Referred to the Committee on Interior and Insular Affairs

S. 3051

A BILL

85TH CONGRESS
2D SESSION

S. 3051

IN THE SENATE OF THE UNITED STATES

JANUARY 16, 1958

Mr. NEUBERGER (by request) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath

Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than seventy-five years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be

responsible for enforcing such conditions. Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale

without limitation on use in accordance with the provisions of section 5 of this act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the

name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the

Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward

the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

CONGRESS
D SESSION

S. 3051

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

By Mr. NEUBERGER

JANUARY 16, 1958
Read twice and referred to the Committee on Interior and Insular Affairs

age of technicians. Also, western institutions for technical training are not equipped to handle large numbers of students from Asia and Africa.

Moreover, Soviet aid is not subject to scrutiny by the Soviet Legislature. United States economic aid, on the contrary, must face the congressional gantlet each year.

UNITED STATES AID IS LARGER

The Soviet Union has probably given or promised less than $2 billion worth of economic aid in all to non-Communist countries in the last 3 years, far less than the total of United States economic aid and private investment in those countries. Yet the political gains of the Soviet Union have been immense and the influence of Moscow has grown enormously in these countries, while that of the West has declined.

In much of Asia and Africa, Soviet aid is often considered to be philanthropy, while United States private investment is often considered to be a species of robbery and Government aid a means of political pressure.

However, an aspect of Soviet aid was revealed early in the year. Yugoslavia, which had been scheduled to receive Soviet aid, was punished when Moscow postponed the aid because of political disagreements with Belgrade.

ADMINISTRATION RECOMMENDATIONS REGARDING KLAMATH INDIAN RESERVATION AT KLAMATH FALLS, OREG.

Mr. NEUBERGER. Mr. President, I am introducing in the Senate today the bill which the administration has sent to Congress for grappling with the grave problems confronting the Klamath Indian Reservation.

In am introducing the bill "by request" because I, myself, entertain serious doubts concerning certain of its basic features. I believe a far preferable solution would be my own bill, S. 2047, providing for Federal purchase of the Klamath timber and marshlands. I offered this bill for myself and the distinguished senior Senator from Oregon [Mr. MORSE] on May 9, 1957.

However, Mr. President, the sands of time are running through the hourglass on our opportunity to act. If we do not work out a reasonable solution before the end of this session of the 85th Congress, the valuable resources of the Klamath Reservation must go under the auctioneer's gavel, according to the terms of Public Law 587, passed by the 83d Congress in 1954. This could produce a chaotic situation.

Therefore, I believe the administration's proposal should be before the Senate Subcommittee on Indian Affairs. As chairman of this subcommittee, I think in all fairness it merits consideration and full hearings, despite the serious misgivings which I have regarding the bill. That is why I am introducing it "by request" today. This introduction on my part follows a very thorough explanation of the bill which was made to me personally on January 13 by the Under Secretary of the Interior, Hatfield Chilson. I appreciate his courtesy.

SENATE SUBCOMMITTEE TO REVIEW BOTH PROPOSALS

I am calling a meeting of the Indian Affairs Subcommittee for February 3, 4, and 5 so that hearings may take place on the administration bill, as well as on S. 2047, which already has been the subject of extensive hearings in the field at Klamath Falls, Oreg., and at Portland, Oreg., on October 2 and 4, 1957.

I fear the administration has made a mistake of serious consequences in not endorsing our Federal purchase bill, S. 2047. I think this because S. 2047 has received the united support of the Klamath Tribal Council, of the management specialists appointed by the Interior Department to supervise termination over the Klamath Tribe, of labor, and education and civic groups in the State of Oregon, of the Governor of the State of Oregon, of the special Oregon State legislative interim committee on Indian affairs, of conservation and outdoor groups, of most of the daily and weekly press—indeed, of virtually all segments of Oregon life. I doubt if any piece of legislation to solve a controversial problem in modern times has been so universally and unanimously supported by every major economic, social, and political group in Oregon. I have been proud that such a bill carries my name and sponsorship.

However, the administration has chosen not to back this bill as its answer to the grave riddle of the future of the Klamath Tribe and resources. It has presented an alternative proposal—a proposal which first offers the reservation for sale to private interests. This is the bill I am introducing by request in the Senate today.

Let me emphasize that the Eisenhower administration has thus assumed, once more, full and complete responsibility for what happens in the Klamath Basin. Because I am not at all convinced that the solution which they propose can satisfactorily undo the difficult problems created by the Klamath Termination Act, I am concerned to keep the record straight that this is a dilemma which I, both as a Senator from Oregon and as chairman of the Indian Affairs Subcommittee, have inherited from former Oregonians in public office before my own election to the Senate. Public Law 587, terminating Federal custodianship over the Klamath Tribe, was passed during the 83d Congress under the auspices of my predecessor in the Senate, Hon. Guy Cordon, then chairman of the Senate Committee on Interior and Insular Affairs, and in the House under the auspices of another Oregon Republican, Hon. Sam Coon, then Representative of the Second District, in which the Klamath Reservation is located. This legislation was backed by Ex-Gov. Douglas McKay, of Oregon, then serving as Secretary of the Interior in President Eisenhower's Cabinet, and it was, of course, accepted and signed by the President, himself.

ORIGINAL TERMINATION BILL CONTAINED UNWISE ASPECTS

The termination bill was put on the statute books despite the last-minute inclusion of the highly debatable withdrawal provisions, and thus created the present danger of hasty and ill-conceived liquidation of the reservation—unless we can effect some rescue operation by midsummer of this year. The Klamath muddle has now been compounded, in my opinion, by the unwillingness of the administration to accept the reasonable answer of Federal purchase, which we offered in S. 2047. The administration rejected our bill. Instead, it has sent to us its own proposal as an alternative. In so doing, the administration has asserted with vigor and emphasis its willingness to accept full responsibility for the Klamath situation. I question the wisdom of the administration's substantive decision, although I welcome this clarification of the issues at stake.

As I say, in view of the present dilemma faced by the subcommittee of which I am the chairman, I feel I must always keep those facts squarely on the record—but let me emphasize that I have made, and I fully intend to continue to make, every effort to keep partisanship out of our continuing search for a nonpolitical and workable solution to this perplexing problem, which will be in the public interest and that of the Indians. The press and the public have recognized that fact, and I want to assure my colleagues on the committee and all interested parties that we shall continue to proceed in this spirit.

In doing so, we shall also be acting in the spirit of the Interim Committee of the Oregon State Legislature which has subordinated differences of political allegiance in reaching a unanimous conclusion to endorse Federal purchase of the Klamath Reservation. This committee of the Oregon Legislature is headed by a Republican, State Senator Leander Quiring, of Umatilla County. It includes as a member Mr. David C. Epps, of Linn County, the State Democratic chairman. In disregard of such divisions, this Oregon legislative committee has endorsed without dissent the Federal purchase plan proposed in S. 2047. Our Senate Indian Subcommittee will give equal nonpartisan consideration to this bill and to the bill I am offering today at the request of the administration.

I believe the plan of the administration must be considered. Time is of the essence. As chairman of the Indian Affairs Subcommittee, I have an obligation to hear the administration and its spokesmen and adherents. That is why I have presented their bill "by request." It is only fair to do so.

Let me explain a few of the doubts which I harbor concerning the measure.

WHAT WILL BE ATTITUDE OF THE LUMBER INDUSTRY?

For the first time in history, a sustained-yield covenant is proposed to be written into legislation dealing with Indian trust land which may pass into private timber company ownership. This is a policy that the private lumber industry long has challenged, dating from the industry's bitter opposition to the pioneer bills of the late 1930's in this field sponsored by the late Representative Walter M. Pierce, of the Second Oregon District, even though the Pierce bill did not require sustained-yield management on private land, but only required minimum cutting practice. As I recall, the industry predicted this legis-

lation could result in ultimate real control of cutting on private land so as to force sustained-yield management. I, myself, am not totally out of sympathy with the administration's long-range efforts in this respect, but I shall await with interest the reaction of such organizations as the National Lumber Manufacturers' Association to have this principle established in a bill to solve an Indian problem.

I want it to be well known that the subcommittee has still not been furnished with any information by the Department of the Interior on the overall value which is proposed for use in the planned sales. It is of vital importance to the Indians and prospective buyers that this information be made available.

Until we of the subcommittee and all the Members of the Senate learn the overall total value which should be placed on the ponderosa pine timber presently growing on the Klamath Reservation, it will be difficult, if not impossible, to pass finally upon the administration's proposed substitute for S. 2047.

The Department's recommendation does not set forth any data on the size of proposed sale units, the extent to which all prospective purchasers will be able to acquire units of sufficient size to mect their ability to finance a purchase.

The Department has included language which would limit the sustained-yield covenant to 75 years, which I believe is a lesser period than is required to grow a crop of ponderosa pine timber in the Klamath area and weather zone. We do not know, at this time whether the proposed sustained-yield covenant will affect the price to be actually paid the Indians and the results of such a consequence.

I set forth these few points here in order to make the record clear that a sound private purchase proposal which adequately protects the Indians' rights may not be without major problems. It will be the purpose of our subcommittee to investigate thoroughly every facet of the administration's bill, and of S. 2047, before proposed legislation is reported to the full committee and to the Senate for action.

In conclusion, as one of the Senators from Oregon, and as chairman of thc Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs—and I am certain my colleague, the senior Senator from Oregon, WAYNE MORSE, shares my views in this respect—I feel that we havc before us at least two major obligations. One of thcm is to protect the equity and rights of the Indians, whose property this is, in the final analysis.

The other obligation is to safeguard the economy of southeastern Oregon and all the rest of our State, because what happens in southeastern Oregon to this vast stand of timber will have an impact throughout Oregon—indeed, throughout the entire Pacific Northwest.

Furthermore, with rcspect to the protection of the resources, we have a gcnuine obligation, as I see it, to continue the vast marsh of the Klamath Reservation as a marsh, where thousands, if not millions, of waterfowl have refugc, and where they nest and breed every year as they travel the great Pacific flyway between the Canadian Arctic and the tropical zones to the south.

If this marsh is put on the auctioneer's block, it very likely will be converted to grazing land or cropland. If that happens, thousands, if not millions, of birds will come and find no nesting ground or sanctuary. They will necessarily be driven from there to feed on the croplands of farmers near by. There then will ensue a fierce and bloody slaughter, without any regard to conservation practices; and the people who participate in the slaughter will have justification for so doing, because their crops are being destroyed.

It seems to me that this could do major damage, for generations to come, to one of the great natural assets of the North American Continent, namely, the vast flocks of waterfowl which still survive there and each year mysteriously travel between the Arctic and the tropics.

I could speak in greater detail about the responsibility we face; but I wish to make one further fact clear. This is a problem which is not of my creation. It is a problem which has been brought about by thc unwise, hasty, and ill-conceived termination of the Federal Government's custodianship over the Klamath Indian Tribe. At the 11th hour there was included in the legislation before the 83d Congress the withdrawal provision which now confronts us with an emergency as to time.

If this scssion of the 85th Congress does not pass a bill which will solve the dilemma, the resources I have described will be sold at a bargain-basement sale commencing in August of this year. I believe that such a time schedule indicates the extent, the size and the urgency of the problem which confronts us.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. DOUGLAS. I congratulate the junior Senator from Oregon for defending, once again, the interests of the Indians. I should like to ask, if I may, 1 or 2 questions, to see if I am clear in my own mind.

I have inspected a number of Indian reservations, particularly in the Southwest. I have always been struck by the fact that the reservations which were set aside for the Indians were located on land which at that time had very little value, and which, unless there are subsurface deposits which will be discovered, has very little valuc now, and on which it is extremely difficult for the Indians to make a living.

In other words, if the white men did not want the land, the Indians were allowed to take it.

Do I correctly understand, in the case of the Klamath Reservation, that that reservation has extremely valuable timber?

Mr. NEUBERGER. The stand of ponderosa pine timber growing on the Klamath Reservation is one of the most valuable stands of such timber growing in the New World.

Ponderosa pine, as distinguished from Douglas fir, is a very slow-growing trcc. A Douglas-fir tree may grow to commercial stature in 80 or 90 years. A ponderosa pine tree, such as the type growing on the Klamath Reservation, may take almost two centuries to develop commercial volume. Thus the timber is of enormous value.

In further answer to the question of the Senator from Illinois, the value of the timber has been variously estimated as from $80 million to around $130 million.

Mr. DOUGLAS. Would it not have been possible to develop the principle of sustained yield, and to cut a certain proportion of those trees each year, or to cut certain sections each year, and then to use the royalties for the benefit of the Indians?

Mr. NEUBERGER. Let me explain to the Senator the present situation on the reservation—but a situation which will end in August of this year unless Congress acts.

At prcsent, and for many years past, the timber growing on the Klamath Reservation has been managed by trained and capable foresters of the Bureau of Indian Affairs. These men and their associates have sold this timber at competitive bids, under sustained-yield cutting practices. The Indians then have shared in per capita payments based on the stumpage fecs which were received for the sale of that timber. This scemed to me to be a reasonable situation, one which certainly was in the interest of conservation of natural resources, which I know to be one of the major goals of the senior Senator from Illinois.

But the 83d Congress, under the urging of the Eisenhower administration, and particularly of Secretary of the Interior Douglas McKay, passed the unwise legislation to which I have referred. That was a law to terminate Federal custodianship over the Klamath Indian Tribe. Under the terms of that law, any member of the tribe can elect to withdraw and ask for his per capita share of the assets. The only way in which he could secure his per capita share of the assets would be to have a portion of the timber or the marshland sold, so that it could be converted into cash.

Thus, if Congress does not intervene, the Federal custodianship will ccase this summer, and this vast block of timber, plus the marshland where waterfowl now nest, will be sold at public auction to the highest bidder.

Mr. DOUGLAS. Do I understand the Senator to say that, in practice, all the Indians will elect to have their shares withdrawn?

Mr. NEUBERGER. As I understand, a survey has been made by the Stanford Research Institute among the members of the Klamath Tribe. The survey was sponsored by management specialists appointed by former Secretary McKay to supervise the liquidation of the tribal assets.

If I am not mistaken, the survey showed that approximately 70 or 75 percent of the members of the tribe would elect to withdraw and receive their per capita share of the tribal assets.

Mr. DOUGLAS. That was because some of them had already gone to the cities, and therefore they did not feel any continuing need for a home to which to return; and also because others were poor, and wanted to get a cash, lump-sum settlement. Is that correct?

Mr. NEUBERGER. Yes; the Senator from Illinois—as he generally is—is absolutely correct in his analysis.

Let me explain further that according to the appraisals of the timber which have been made, it is possible that each tribal member's share will vary in value somewhere from $35,000 per tribal member to approximately $55,000. The amount has not yet been finally determined, but it will be somewhere in the realm of that financial value. The Senator from Illinois can see that, therefore, a family of four on the Klamath Reservation or, although having left the reservation, or formerly on the reservation, can qualify for approximately $120,000 to $200,000 per family, a very substantial sum of money.

Mr. DOUGLAS. Of course it will be argued that this should be left to the free choice of the individual Indian, and that he should have a right to choose whether he will live in a communal community, or whether he will take his share in cash and will go elsewhere.

Mr. NEUBERGER. Our bill, S. 2047, provides essentially that the Federal Government shall purchase the assets of the Klamath Reservation. Under that purchase, the valuable timber I have described will be added to the contiguous Fremont and Deschutes National Forests, and the United States Forest Service will manage the timber and will sell it at competitive bidding, open to all prospective purchasers, large and small. Of course the management will be under the traditional sustained-yield practices of the United States Forest Service. Under the provisions of the bill, the marsh area will be made a national waterfowl refuge, under the able management of the United States Fish and Wildlife Service.

It is true that our bill will require the appropriation by the Federal Government of a substantial sum of money. But if anyone has faith in the value of the natural resources of the United States, it seems to me that this marvelous stand of ponderosa pine timber—a stand which, if cut, will not be duplicated for perhaps centuries to come—eventually will return to the Federal Government not only the amount of money invested in the reservation, but also much more, in addition, as the years and decades go by.

So what the senior Senator from Oregon [Mr. MORSE] and I hope to do is have the Federal Government purchase the reservation, pay the Indians their fair, prorated share, according to what each tribal member is entitled to, but have the resources there managed by the United States Forest Service and the United States Fish and Wildlife Service. That is the purpose of S. 2047, the bill we have introduced.

Mr. DOUGLAS. The group of Indians who wish to remain in the community would do so, would they?

Mr. NEUBERGER. The Indians who wish to remain in the community could do so. There are many allotted lands, already belonging to Indians, which they would continue to own.

Mr. DOUGLAS. Under the plan, the Indians would get the income, would they?

Mr. NEUBERGER. They would get the income. They could live in a tribal status somewhat similar to that which they have today, but without Government supervision or direction.

I want to make this clear, because $ have referred to the management specialists who were appointed by former Secretary of the Interior McKay. Those two men, Mr. Thomas B. Watters, of Klamath Falls, and Mr. Eugene G. Favelle, of Lakeview, Oreg., have, in my opinion, attempted to do a very conscientious and painstaking job in protecting the equity of the Indians involved. I think it significant that, although these two men were appointees of the national administration, they have unequivocally endorsed Senate bill 2047 for the safeguarding of the resources of the reservation. They have retained a capable forester in Earle Wilcox, formerly with the Bureau of Indian Affairs.

Mr. DOUGLAS. I have a vague memory that when Mr. McKay was Secretary of the Interior, he claimed that the Klamath Indians were supporting his program. Will the Senator from Oregon discuss that issue?

Mr. NEUBERGER. Yes; I will. It is a complicated issue.

In fairness to Mr. McKay, let me say I believe it is substantially true that at the time the termination act was unwisely enacted in 1954, it was accurately said that the Klamath Indians were supporting his position, in favor of termination. I think that derives from many origins. In my opinion there was held up to the Indians the future prospect of having a great amount of money paid to them in cash at a relatively early date. In fairness to the Indians, I wish to say that not only people with red skins or people of Indian origin would respond to a lure of that particular type.

Mr. DOUGLAS. Of course.

Mr. NEUBERGER. If I am not mistaken, white people are even more susceptible to such a lure.

Mr. DOUGLAS. Certainly.

Mr. NEUBERGER. In addition—and let me say that I was not then a Member of Congress, so I speak from memory—I believe that the termination bill was sweetened by including in its provisions one for a $250 per capita payment for each Klamath Indian. I may be mistaken about that. But I think that may have been somewhat contributory to the Indians' position at that time. At that particular time the Indians were in favor of the termination act. The promise of the payment of a great deal of additional money had been held out to them.

Mr. DOUGLAS. What is the feeling of the Indians now?

Mr. NEUBERGER. The feeling of the Indians now has remarkably changed. The executives of the tribal council testified before our subcommittee in October, 1957, definitely and without equivocation in favor of Federal purchase, under the provisions of our bill. They said they thought this would be the best thing for the Indians; that it would bring the fairest price to the Indians; and that the Indian tribe, speaking through them, was in favor of Federal purchase.

Mr. DOUGLAS. In other words, it gives to the Indians the same choice and the same capital payment as the McKay plan would do, but it conserves for the Government a unique stand of timber which, if it moves into private hands, probably would be quickly cut off. Is that correct?

Mr. NEUBERGER. That is correct. Under the termination act passed in 1954, the management specialists might have to liquidate approximately 4 billion feet of pine timber in approximately 2 years. To dump that vast amount of timber on any market would depress the price, so the Indians would not receive anywhere near its fair value. In addition, all of it would be dumped on the market at this particular time, when new housing starts have been so stifled, due to the tight-money policy which the Members of the Senate have discussed at various times; and therefore the price would be even lower than the price under normal conditions.

Our bill contemplates giving the fair-payment price to the Indians; but the timber would belong to the Government and be sold over a long period of years by the United States Forest Service, on a sustained-yield basis.

The intervening circumstance which now has developed is the fact that the national administration, speaking through the Department of the Interior, has declined to endorse our bill for Federal purchase. Instead, the administration has sent up its own proposal. I am introducing this proposal today, by request, as the Senator from Illinois has heard.

This proposal first offers the timber stand to private enterprise, to private lumber operators. But if they reject it, the Federal Government will acquire the resources of the reservation. But many questions arise in connection with this alternative plan. One of them arises because of the fact that the timber would be sold in such large blocks that virtually all small timber operators might be excluded from bidding on it, because I understand that the cost of even a relatively small blocks would be approximately $5 million, and obviously that amount of capital could not be raised by a small sawmill owner.

Mr. DOUGLAS. Is it fair to say that the general policy of the Eisenhower administration has been to diminish the number and the size of Indian reservations, and that it aims at either their ul-

timate elimination or their great diminution?

Mr. NEUBERGER. I would believe that would be a generally fair statement.

Mr. DOUGLAS. And that the Indians, then, as individuals would be more or less forced to go out into the general population and live there?

Mr. NEUBERGER. I believe the Senator from Illinois has made a further accurate description of the policy.

Mr. DOUGLAS. I believe that the Indians should have freedom of choice. They should not be chained to the reservation, but I also think it is important that they should have a place to go home to if they find life in the cities unsatisfactory, and that if they are in effect squeezed out by the sale or impairment of reservations, perhaps results would be unfortunate. Many thousands of Indians have come to Chicago. I have tried to acquaint myself with the problems involved. While we have tried to be extremely friendly to them, it is a difficult adjustment for many to make. I have come to feel that it is highly important to keep the reservations not only for those who want to stay on the reservations but as places of refuge for those who try out industrial life and, for one reason or another, do not like it and want to go back to the reservations.

Mr. NEUBERGER. I share much of the feeling of the Senator from Illinois.

I realize that he has a much more profound sociological knowledge of this subject than I do. When we held our hearings at the site of the Klamath Reservation, there were elderly Indians who testified virtually with tears in their eyes over what would happen to their ancestral home. I think they should have the freedom to preserve their status.

There is one thing that disturbs me about this situation. The Senator from Illinois mentioned some of the bleak and meager reservations of the Southwest, where there are hardly any resources. I would prefer to have seen those reservations selected as the guinea pig for the termination program of the Eisenhower administration.

Mr. DOUGLAS. There is a good reason why that was not done. Nobody wants those reservations. They have no commercial value.

Mr. NEUBERGER. It seems to me it was an unfortunate choice—for more than one reason—that virtually the first Indian tribe selected for termination was an Indian tribe of one of the most complex sets of resources in its possession of any tribe in the Nation, and one of the most valuable natural resources. I would share with the Senator from Illinois the view that the tribe selected for termination should not have been an Indian tribe that had such a difficult set of resources to administer, and the maladministration of which could have been so ruinous to that particular geographic area, to Indians and white citizens alike.

Mr. DOUGLAS. I congratulate the Senator from Oregon.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I appreciate the very helpful information developed by the Senator from Illinois.

I have concluded my presentation. I understand the Senator from Tennessee was waiting to obtain the floor. Before I relinquish the floor, I should like to submit, by request, the administration bill dealing with the Klamath Indian Tribe, ask that it be appropriately referred, and printed in the RECORD.

The PRESIDING OFFICER (Mr. MORSE in the chair). The bill will be received and appropriately referred.

The bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, introduced by Mr. NEUBERGER (by request), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this act.

(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than 75 years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, which is hereby determined to be their fair-market value if as much as 75 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instrument shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a branch of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair-market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon such reversion of title the lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose

not later than the time limit provided in subsection 6 (b) of this act, as amended.

(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustees for the Klamath Indians shall be administered by the Secretary of Agriculture.

(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads.

SEC. 2. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time limit provided in subsection 6 (b) of this act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

LETTER FROM THE PRESIDENT OF THE UNITED STATES TO NICOLAI BULGANIN

Mr. WILEY. Mr. President, I understand that the President's reply to Bulganin has not appeared in the RECORD. I wish to say that the President's straight-from-the-shoulder reply to Bulganin and his talk in the joint session should clear away the fog in the minds of people at home and abroad, and I ask unanimous consent that the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PRESIDENT TODAY MADE PUBLIC THE FOLLOWING LETTER TO NIKOLAI BULGANIN, CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE UNION OF SOVIET SOCIALIST REPUBLICS

DEAR MR. CHAIRMAN: When on December 10 I received your communication, I promptly acknowledged it with the promise that I would in due course give you a considered reply. I now do so.

Your communication seems to fall into three parts: The need for peace; your contention that peace is endangered by the collective self-defense efforts of free-world nations; and your specific proposals. I shall respond in that same order and make my own proposals.

I

Peace and good will among men have been the heartfelt desire of people since time immemorial. But professions of peace by governmental leaders have not always been a dependable guide to their actual intentions. Moreover, it seems to me to be profitless for us to debate the question of which of our two governments wants peace the more. Both of us have asserted that our respective peoples ardently desire peace and perhaps you and I feel this same urge equally. The heart of the matter becomes the determination of the terms on which the maintenance of peace can be assured, and the confidence that each of us can justifiably feel that these terms will be respected.

In the United States the people and their Government desire peace and in this country the people exert such constitutional control over Government that no government could possibly initiate aggressive war. Under authority already given by our Congress, the United States can and would respond at once if we or any of our allies were attacked. But the United States cannot initiate war without the prior approval of the people's representatives in the Congress. This process requires time and public debate. Not only would our people repudiate any effort to begin an attack, but the element of surprise, so important in any aggressive move, would be wholly lacking. Aggressive war by us is not only abhorrent; it is impractical and impossible.

The past 40 years provide an opportunity to judge the comparative peace records of our 2 systems. We gladly submit our national record for respecting peace to the impartial judgment of mankind. I can assure you, Mr. Chairman, that in the United States the waging of peace has priority in every aspect, and every element, of our national life.

II

You argue that the danger of war is increased because the United States and other free-world nations seek security on a collective basis and on the basis of military preparedness.

Three times in this century wars have occurred under circumstances which strongly suggest, if indeed they do not prove, that war would not have occurred had the United States been militarily strong and committed in advance to the defense of nations that were attacked.

On each of these three occasions when war came, the United States was militarily unprepared, or ill-prepared, and it was not known that the United States would go to the aid of those subjected to armed aggression. Yet now it appears, Mr. Chairman, that you contend that weakness and disunity would make war less likely.

I may be permitted perhaps to recall that in March 1939, when the Soviet Union felt relatively weak and threatened by Fascist aggression, it contended that aggression was rife "because the majority of the nonagressive countries, particularly England and France, have rejected the policy of collective security," and Stalin went on to say that the policy of "Let each country defend itself as it likes and as best it can * * * means conniving at aggression, giving free rein to war."

Now the Soviet Union is no longer weak or confronted by powerful aggressive forces. The vast Sino-Soviet bloc embraces nearly one billion people and large resources. Such a bloc would, of course, be dominant in the world were the free world nations to be disunited.

It is natural that any who want to impose their system on the world should prefer that those outside that system should be weak and divided. But that expansionist policy cannot be sanctified by protestations of peace.

Of course the United States would greatly prefer it if collective security could be obtained on a universal basis through the United Nations.

This was the hope when in 1945 our two Governments and others signed the Charter of the United Nations, conferring upon its Security Council primary responsibility for the maintenance of international peace and security. Also, by that Charter we agreed to make available to the Security Council Armed Forces, assistance and facilities so that the Council could maintain and restore international peace and security.

The Soviet Union has persistently prevented the establishment of such a universal collective security system and has, by its use of the veto—now 82 times—made the Security Council undependable as a protector of the peace.

The possibility that the Security Council might become undependable was feared at the San Francisco Conference on World Organization, and accordingly the Charter recognized that, in addition to reliance on the Security Council, the nations possessed and might exercise an inherent right of collective self-defense. It has therefore been found not only desirable, but necessary, if the free nations are to be secure and safe, to concert their defensive measures.

I can and do give you, Mr. Chairman, two solemn and categorical assurances.

1. Never will the United States lend its support to any aggressive action by any collective defense organization or any member thereof;

2. Always will the United States be ready to move toward the development of effective United Nations collective security measures in replacement of regional collective-defense measures.

I turn now to consider your specific proposals.

III

I am compelled to conclude after the most careful study of your proposals that they seem to be unfortunately inexact or incomplete in their meaning and inadequate as a program for productive negotiations for peace.

You first seem to assume that the obligations of the charter are nonexistent and that the voice of the United Nations is nothing that we need to heed.

You suggest that we should agree to respect the independence of the countries of the Near and Middle East and renounce the use of force in the settlement of questions relating to the Near and Middle East. But by the Charter of the United Nations we have already taken precisely those obligations as regards all countries, including those of the Near and Middle East. Our profound hope is that the Soviets feel themselves as

bound by the provisions of the charter as, I assure you, we feel bound.

You also suggest submitting to the member states of NATO and the Warsaw Pact some form of nonaggression agreement. But all of the members of NATO are already bound to the United Nations Charter provision against aggression.

You suggest that the United States, the United Kingdom, and the Soviet Union should undertake not to use nuclear weapons. But our three nations and others have already undertaken, by the charter, not to use any weapons against the territorial integrity of political independence of any state. Our profound hope is that no weapons will be used by any country for such an indefensible purpose and that the Soviet Union will feel a similar aversion to any kind of aggression.

You suggest that we should proclaim our intention to develop between us relations of friendship and peaceful cooperation. Such an intention is indeed already proclaimed as between ourselves and others by the Charter of the United Nations to which we have subscribed. The need is, not to repeat what we already proclaim, but, Mr. Chairman, to take concrete steps under the present terms of the charter, that will bring about these relations of friendship and peaceful cooperation. As recently as last November, the Communist Party of the Soviet Union signed and proclaimed to the world a declaration which was designed to promote the triumph of communism throughout the world by every means not excluding violence, and which contained many slanderous references to the United States. I am bound to point out that such a declaration is difficult to reconcile with professions of a desire for friendship or indeed of peaceful coexistence. This declaration makes clear where responsibility for the cold war lies.

You propose that we broaden the ties between us of a scientific, cultural, and athletic character. But already our two countries are negotiating for peaceful contacts even broader than scientific, cultural, and athletic. We hope for a positive result, even though in 1955, after the summit conference, when negotiations for such contacts were pressed by our foreign ministers at Geneva, the accomplishments were zero. It is above all important that our peoples should learn the true facts about each other. An informed public opinion in both our countries is essential to the proper understanding of our discussions.

You propose that we develop normal trade relations as part of the peaceful cooperation of which you speak. We welcome trade that carries no political or warlike implications. We do have restrictions on dealings in goods which are of war significance, but we impose no obstacles to peaceful trade.

Your remaining proposals relate to armament. In this connection, I note with deep satisfaction that you oppose competition in the production of ever newer types of weapons. When I read that statement I expected to go on to read proposals to stop such production. But I was disappointed.

You renew the oft-repeated Soviet proposal that the United States, the United Kingdom and the Soviet Union should cease for 2 or 3 years to test nuclear weapons; and you suggest that nuclear weapons should not be stationed or produced in Germany. You add the possibility that Poland and Czechoslovakia might be added to this nonnuclear weapons area.

These proposals do not serve to meet the real problem of armament. The heart of that problem is, as you say, the mounting production, primarily by the Soviet Union and the United States, of new types of weapons.

Your proposal regarding central Europe will, of course, be studied by NATO and the NATO countries directly invoived from the standpoint of its military and political implications. But there cannot be great significance in denuclearizing a small area when, as you say, the range of modern types of weapons does not know of any geographical limit, and when you defer to the indefinite future any measures to stop the production of such weapons.

I note, furthermore, that your proposal on Germany is in no way related to the ending of the division of that country but would, in fact, tend to perpetuate that division. It is unrealistic thus to ignore the basic link between political solutions and security arrangements.

Surely, Mr. Chairman, at a time when we share great responsibility for shaping the development of the international situation, we can and must do better than what you propose.

In this spirit, I submit some proposals of my own.

IV

1. I propose that we strengthen the United Nations.

This organization and the pledges of its members embodied in the charter constitute man's best hope for peace and justice. The United States feels bound by its solemn undertaking to act in accordance with the principles of the charter. Will not the Soviet Union clear away the doubt that it also feels bound by its charter undertakings? And may we not perhaps go further and build up the authority of the United Nations?

Too often its recommendations go unheeded.

I propose, Mr. Chairman, that we should rededicate ourselves to the United Nations, its principles and purposes and to our charter obligations. But I would do more.

Too often the Security Council is prevented, by veto, from discharging the primary responsibility we have given it for the maintenance of international peace and security. This prevention even extends to proposing procedures for the pacific settlement of disputes.

I propose that we should make it the policy of our two Governments at least not to use veto power to prevent the Security Council from proposing methods for the pacific settlement of disputes pursuant to chapter VI.

Nothing, I am convinced, would give the world more justifiable hope than the conviction that both of our Governments are genuinely determined to make the United Nations the effective instrument of peace and justice that was the original design.

(2) If confidence is to be restored, there needs, above all, to be confidence in the pledged word. To us it appears that such confidence is lamentably lacking. That is conspicuously so in regard to two areas where the situation is a cause of grave international concern.

I refer first of all to Germany. This was the principal topic of our meeting of July 1955 and the only substantive agreement which was recorded in our agreed directive was this:

"The heads of government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security."

In spite of our urging, your Government has, for now 2½ years, taken no steps to carry out that agreement or to discharge that recognized responsibility. Germany remains forcibly divided.

This constitutes a great error, incompatible with European security. It also undermines confidence in the sanctity of our international agreements.

I therefore urge that we now proceed vigorously to bring about the reunification of Germany by free elections, as we agreed, and as the situation urgently demands.

I assure you that this act of simple justice and of good faith need not lead to any increased jeopardy of your nation. The consequences would be just the opposite and would surely lead to greater security. In connection with the reunification of Germany, the United States is prepared, along with others, to negotiate specific arrangements regarding force levels and deployments, and broad treaty undertakings, not merely against aggression but assuring positive reaction should aggression occur in Europe.

The second situation to which I refer is that of the countries of eastern Europe. The heads of our 2 Governments, together with the Prime Minister of the United Kingdom, agreed in 1945 that the peoples of these countries should have the right to choose the form of government under which they would live, and that our 3 countries had a responsibility in this respect. The three of us agreed to foster the conditions under which these peoples could exercise their right of free choice.

That agreement has not as yet been fulfilled.

I know that your Government is reluctant to discuss these matters or to treat them as a matter of international concern. But the heads of governments did agree at Yalta in 1945 that these matters were of international concern, and we specifically agreed that there could appropriately be international consultation with reference to them.

This was another matter taken up at our meeting in Geneva in 1955. You then took the position that there were no grounds for discussing this question at our conference and that it would involve interference in the internal affairs of the eastern European states.

But have not subsequent developments shown that I was justified in my appeal to you for consideration of these matters? Surely the Hungarian developments and the virtually unanimous action of the United Nations General Assembly in relation thereto show that conditions in Eastern Europe are regarded throughout the world as much more than a matter of purely domestic scope.

I propose that we should now discuss this matter. There is an intrinsic need of this in the interest of peace and justice which seems to me compelling.

3. I now make, Mr. Chairman, a proposal to solve what I consider to be the most important problem which faces the world today.

(a) I propose that we agree that outer space should be used only for peaceful purposes. We face a decisive moment in history in relation to this matter. Both the Soviet Union and the United States are now using outer space for the testing of missiles designed for military purposes. The time to stop is now.

I recall to you that a decade ago, when the United States had a monopoly of atomic weapons and of atomic experience, we offered to renounce the making of atomic weapons and to make the use of atomic energy an international asset for peaceful purposes only. If only that offer had been accepted by the Soviet Union, there would not now be the danger from nuclear weapons which you describe.

The nations of the world face today another choice perhaps even more momentous than that of 1948. That relates to the use of outer space. Let us this time, and in time, make the right choice, the peaceful choice.

There are about to be perfected and produced powerful new weapons which, availing of outer space, will greatly increase the capacity of the human race to destroy itself. If, indeed, it be the view of the Soviet Union that we should not go on producing ever newer types of weapons, can we not stop the production of such weapons which would use or, more accurately, misuse outer space,

H. R. 10375

85TH CONGRESS
2D SESSION

H. R. 10375

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 1958

Mr. ASPINALL (by request) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath

Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than seventy-five years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be

responsible for enforcing such conditions. Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secertary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale

without limitation on use in accordance with the provisions of section 5 of this act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the

name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the

Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward

the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

85TH CONGRESS
2D SESSION

H. R. 10375

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

By Mr. ASPINALL

JANUARY 30, 1958
Referred to the Committee on Interior and Insular Affairs

Sen. Proxmire inserted a speech by Prof. Galbraith of Harvard to the National Farm Institute, in which it was stated that the free market and the family farm are antithetical, and that to preserve our traditional farm structure will require government controls. pp. 3109-11

Sen. Proxmire inserted a constitutent's letter on the farm program which also urged government payments in lieu of taxes for all Federal land. p. 3111

Sen. Murray added Sen. Neuberger's name as cosponsor to S. 3091, to require wheat price supports at no less than $2 a bushel. p. 3091

Sen. Thye commended committee's bill to provide 54 million acre corn acreage allotment. p. 3114

2. DAIRY PRODUCTS. Sen. Proxmire's name was added as cosponsor to S. 2727, to establish Federal sanitation standards for milk and dairy products, and he recommended a uniform Federal law to promote the expansion of milk marketing. pp. 3090-1

3. FORESTRY. Passed as reported S. 3262, to authorize Federal grants to construct Olympic facilities for the 1960 winter games on Forest Service lands. p. 3123

The committee report on this bill includes the following statement:

"The sports arena to be built under the provisions of section 2 would be located on national-forest land and would be subject to the jurisdiction and authority of the Secretary of Agriculture. The sports arena would remain Federal property.

"The State of California has been granted a 30-year permit to use the land on which the arena is to be constructed as part of a State park. It is the intent of the committee that the permit issued by the Forest Service will provide for the payment by the permittee after the VIII Olympic Winter Games are over of a fee that fairly reflects the value of the use of the arena. This provision of the bill should result in some return to the Federal Government on its investment. The General Accounting Office will be enabled to review the adequacy of the rentals."

The Indian Affairs subcommittee ordered reported with amendments to the Interior and Insular Affairs Committee S. 3051, to provide alternatives of private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the termination act. p. D182

4. SECOND SUPPLEMENTAL APPROPRIATION BILL. Sen. Thye submitted notice of his intention to propose an amendment to this bill, H. R. 10881, to require 1958 dairy price supports be not less than those for 1957. p. 3090

Sen. Sparkman submitted notice of his intention to propose an amendment to the bill, to authorize the Small Business Administration to loan funds to small business concerns "if the administration determines that the small business concern has suffered a substantial economic injury as a result of programs administered by the Secretary of Agriculture under the provisions of the Soil Bank Act." p. 3090

This bill was made the unfinished business, and Sen. Johnson announced it would be considered Mon., March 10. pp. 3123, 3142-3

5. ECONOMIC SITUATION; FARM PROGRAM. Sens. Johnson, Chavez, Goldwater, Mansfield, Murray, Capehart, Kerr, Dworshak, Revercomb, Johnston, Holland, Case, S.Dak., Fulbright, Humphrey, Carroll, Yarborough, Dirksen, Thye, Morse, and Douglas discussed the economic situation and Sen. Johnson's two resolutions, S. Con. Res. 68 and S. Con. Res. 69, to urge the acceleration of expenditures for

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 7, 1958
For actions of March 6, 1958
85th-2d, No. 36

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HIGHLIGHTS: See page 8.

SENATE

1. FARM PROGRAM. The Daily Digest reported that the Agriculture and Forestry Committee "ordered favorably reported the following: an original joint resolution to provide that acreage allotments and price supports cannot be lower than those in effect in 1957; an original joint resolution providing that price supports for dairy products shall not be reduced below those in effect in the 1957 marketing year; with amendment, S. 2937, providing equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government; a clean bill in lieu of S. 2913, to provide for a minimum acreage allotment for corn; and S. 3385, to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments." (p. D182). Sen. Humphrey announced committee's action. p. 3073

Sen. Proxmire stated that the Secretary had the power to increase dairy price supports, under present law, up to 90 percent of parity, and urged him to reconsider his action reducing price supports on April 1. pp. 3108-9



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 30, 1958
For actions of April 29, 1958
85th-2d, No. 67

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HIGHLIGHTS: House committee ordered reported bill to extend mutual security program. Rep. Sullivan criticized Secretary's suspension of poultry inspection regulation. Sen. Watkins introduced and discussed bill to extend and expand fish and wildlife conservation programs.

SENATE

April 29, 1958

1. FORESTRY. The Interior and Insular Affairs Committee ordered reported with amendments S. 3051, to provide alternatives of either private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the termination act. p. D362

Sen. Neuberger inserted an article he wrote, "Solving the Stubborn Klamath Dilemma," in which he urged that the Federal Government acquire the Klamath lands for the National Forest system. pp. 6823-5

2. SALINE WATER. The Interior and Insular Affairs Committee ordered reported with amendments S. J. Res. 135, to authorize the Interior Department to construct and operate a salt-water conversion demonstration plant. p. D363

3. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment S. Res. 299, to accelerate construction of various reclamation projects in 17 Western States. Sens. Anderson, Johnson, and Case, S. D., discussed the measure, which would increase reclamation spending for 1959 from $230 million as proposed by the President, to $300 million..pp. 6847-8

4. FARM PROGRAM. Sen. Javits inserted his report to his constituents on recent actions of Congress, explaining his position on the dairy and farm price support and acreage allotment freeze measures, and his support for extension of Public Law 480 and other programs. pp. 6812-15

5. ECONOMIC SITUATION. Sen. Johnson commended the Senate for passing various measures to combat recession and urged the House to act on the measures. p. 6791

Sen. Humphrey inserted six articles on the present economic situation, and asserted that action was needed to halt recession. pp. 6818-23

6. WHEAT AGREEMENT. Sen. Humphrey inserted a pamphlet, "The Arab Campaign Against American Jews," which included a section on the effect of an alleged boycott on the International Wheat Agreement. The pamphlet states that Arab refusal to handle wheat shipped on "blacklisted" vessels increases shipping costs which are paid in part (through Federal subsidy) by American taxpayers. pp. 6817-18

7. YOUTH CONSERVATION. Sen. Humphrey inserted a resolution of the Lewiston, Idaho, Farmers Union local, urging enactment of S. 3582 to establish a Youth Conservation Corps. p. 6795

8. INTERIOR APPROPRIATIONS. The Interior Department and related agencies appropriation bill for 1959, including Forest Service items, H. R. 10746, was made the Senate's pending business, and Sen. Johnson announced that it would be considered Wed., Apr. 30. p. 6846

HOUSE

9. MUTUAL SECURITY. The Foreign Affairs Committee ordered reported H. R. 12181, to extend the mutual security program. p. D364

10. CONTRACTS. Both Houses received from GSA a report on contracts negotiated for research and development purposes for the six-month period ending Dec. 31, 1957. pp. 6793,6886

11. COPYRIGHTS. The Judiciary Committee reported with amendment H. R. 8419, to provide a legal remedy for owners of copyrights against infringements by the U. S. p. D365

12. PERSONNEL. The Judiciary Committee tabled H. R. 4757 and 5267 to grant certain employees of the Departments of Labor, Commerce, HEW, the General Services Administration, and Federal probation officers protection of the Criminal Code against assaults and homicides. p. D365

13. LEGISLATIVE PROGRAM. Rep. McCormack announced that the bill to extend unemployment compensation benefits would be taken up Wed., Apr. 30, and would probably be debated for the remainder of the week. p. 6872

ITEMS IN APPENDIX

14. ELECTRIFICATION. Extension of remarks of Sen. Neuberger inserting an article, "The Columbia: Mightiest Power Builder on Earth," describing the water and power resources of the Columbia River. pp. A3863-4

Rep. Scudder inserted an editorial favoring the proposed Trinity River project. pp. A3877-8

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 6, 1958
For actions of May 5, 1958
85th-2d, No. 70

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HIGHLIGHTS: See page 5.

HOUSE

1. COTTON. The Agriculture Committee reported without amendment H. R. 11399, to fix the price support for extra long staple cotton at a level between 60 percent of parity and not in excess of the parity price for the 1956 crop (H. Rept. 1691). p. 7234

2. LIVESTOCK DISEASES. The Agriculture Committee ordered reported H.R. 12126, to "provide further protection against the introduction and dissemination of livestock diseases." p. D384

3. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved watershed projects in the following States: Georgia, Indiana, Mississippi, North Carolina, and Oregon." p. D384

4. WHEAT IMPORTS. A subcommittee of the Agriculture Committee ordered reported with technical amendment H. R. 11581, to increase the duty on imported wheat seed treated with poisonous substances which is unfit for human consumption. p. D384

5. SOIL BANK. Passed without amendment S. 2937, to compensate producers for hardships suffered under the 1956 soil bank program as a result of incorrect information furnished by county committees. A similar bill, H. R. 10114, was laid on the table. This bill will now be sent to the President. p. 7179

6. LIVESTOCK LOANS. Passed without amendment H. R. 11424, to extend for 2 years (through 7-14-61) the authority of the Secretary to extend or make supplementary advances in connection with special livestock loans. p. 7180

7. WOOL IMPORTS. Agreed to the Senate amendments to H. R. 2151, to suspend for two years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets. This bill will now be sent to the President. p. 7183

8. LAND WITHDRAWALS. Received from the Director, Alaska Department of Fish and Game, a letter "relative to a policy statement on land withdrawals by the Alaska Fish and Game Commission, Territory of Alaska." p. 7234

9. FOOD ADDITIVES. Received a Columbus, O., citizens petition urging the enactment of legislation to regulate the use of chemical additives in food. p. 7245

10. FOREIGN TRADE. Rep. Dorn stated that the American Legion opposes extension of the reciprocal trade program, and inserted a resolution adopted by the national executive committee of the Legion urging a foreign-trade policy "that will prevent the injury to or liquidation of industries essential to the defense and the economic welfare of this country." p. 7195

11. FLOOD CONTROL. Rep. Mack and others spoke in favor of the enactment of a rivers and harbors and flood control bill with the deletion of projects to which the President is opposed. pp. 7224-9

SENATE

12. FORESTRY. The Interior and Insular Affairs Committee reported with amendments S. 3051, to provide alternatives of either private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the termination act (S. Rept. 1518). p. 7128.

Sen. Neuberger inserted 3 editorials favoring Federal acquisition of the Klamath forest lands. pp. 7147-8

Sen. Neuberger inserted a letter from the Trustees for Conservation stating that the wilderness preservation bills would carry out the multiple use program. pp. 7148-9

13. APPROPRIATION. Both Houses received from this Department a report prior to restoration of balances to the appropriation, "Salaries and Expenses Farmers' Home Administration," as of Mar. 31, 1958. pp. 7128, 7234.

14. INFORMATION. The Constitutional Rights Subcommittee ordered reported to the Judiciary Committee without amendment S. 921, to prevent use of 5 U.S.C. 22 to withhold information. p. D382

15. PRICE SUPPORTS; ACREAGE ALLOTMENTS. Sen. Neuberger inserted a letter from the National Ass'n of Wheat Growers and a telegram from 3 Democratic county chairmen, urging him to vote to over-ride the President's veto of the farm freeze measure. pp. 7149-50

16. STATEHOOD. Sen. Church urged statehood for Alaska, with comment and discussion by Sens. Neuberger, Knowland, Thye, Case (S.D.), Proxmire, Carroll, Anderson, and Yarborough. pp. 7162-75

17. TRANSPORTATION. Sen. Langer urged action by Congress to aid the railroads. pp. 7134-5

18. COMMITTEES. Sen. B. Everett Jordan, the new Senator from N. C., was assigned to the Post Office and Civil Service Committee and the Public Works Committee. pp. 7127-8

Calendar No. 1543

85TH CONGRESS
2d Session

SENATE

REPORT
No. 1518

AMENDING THE ACT TERMINATING FEDERAL SUPERVISION OVER THE KLAMATH INDIAN TRIBE BY PROVIDING IN THE ALTERNATIVE FOR PRIVATE OR FEDERAL ACQUISITION OF THE PART OF THE TRIBAL FOREST THAT MUST BE SOLD

MAY 5, 1958.—Ordered to be printed

Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3051]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, having considered the same, report favorably thereon with the following amendments, and with the recommendation that the bill, as amended, do pass.

The amendments are as follows:

On page 2, line 9, strike out "seventy-five" and insert in lieu thereof "one-hundred".

On page 4, line 1, after the period, strike the remaining sentence and lines 2 through 5, and insert in lieu thereof:

> The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within sixty days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are

hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

On page 4, line 6, strike all of the remainder of page 4 and lines 1 and 2 on page 5, and insert in lieu thereof:

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (c) of this section, an aggregate realization value of not to exceed ninety million dollars, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such land shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

On page 6, line 1, strike "1960" and insert in lieu thereof "1961".

On page 7, line 3, after the word "lands" insert "pursuant to subsection (b) of this section".

On page 8, after line 10, insert the following new sections:

SEC. 6. No funds distributed pursuant to section 5 of said Act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within six months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said Act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years."

BACKGROUND OF THE LEGISLATION

Public Law 587, 83d Congress, approved August 13, 1954 (68 Stat. 718), provided for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof. Section 5 of the law authorized the Secretary of the Interior to select and contract with qualified management specialists to perform the following duties:

1. Cause an appraisal to be made of all tribal property showing its fair market value by practical logging or other appropriate economic units.
2. Give each adult member of the tribe an opportunity to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in a management plan.
3. Determine and select the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interests converted into money, arrange for the sale of such property, and distribute the proceeds of sale among the members entitled thereto.
4. Cause a plan to be prepared in form and content satisfactory to the tribe and to the Secretary for the management of tribal property retained by those persons who remain in the tribe. This management plan would be carried on under a trustee, or by the tribe operating as a corporation or other legal entity.

The foregoing actions were to have been completed by March 31, 1958.

The forests of the Klamath Reservation contain approximately 4,553 million board-feet of tribally owned ponderosa and sugar pine timber growing and 1,800,000 cords of pulp on 665,000 acres classed as commercial timberland. This tribal forest, which has been operated under sustained-yield management for many years, represents approximately 90 percent of the assets of the Klamath Indians. The total reservation map measured acreage consists of 861,125 acres consisting of 693,997 acres of commercial and noncommercial forest, 127,938 acres of open range, 23,421 acres of marsh, 14,524 acres of brush, barren, or wasteland, and 1,245 acres of farmland.

The Committee on Interior and Insular Affairs and its Subcommittee on Indian Affairs held hearings on May 21 and October 18, 1956, both in Washington, D. C., and Klamath Falls, Oreg., on the subject of the Klamath Termination Act. Testimony received from members of the Klamath Tribe, the management specialists, representatives of the Department of the Interior, and interested citizens reflected great concern about the workability of the termination program. Of particular interest to the committee were the results of the studies conducted by and under the direction of the management specialists which indicated that 70 percent of the Klamath Indians would elect to withdraw from tribal membership. In order to satisfy

the claims of the withdrawees, it was estimated that the provisions of section 5 of Public Law 587 would require the sale of almost 2.7 billion board-feet of sawtimber during a period of less than 1 year. These sales would undoubtedly hav eglutted the timber market in the Klamath Basin, bringing greatly reduced stumpage prices to the Indians, and would have virtually destroyed a sustained-yield forest capable of furnishing millions of board-feet of timber annually.

It was obvious to the committee that an amendment to extend the final termination date was necessary and, in addition, that other corrective measures were desirable in order to carry out the termination in a manner that would safeguard the interests of the Indians and the community in which they live.

STOPGAP AMENDMENT, 85TH CONGRESS, 1ST SESSION

At the outset of the 85th Congress, S. 341 and S. 469 were introduced for the primary purpose of delaying the sales of tribal property belonging to the Klamath Indians in order that the committees of the Congress would have additional time to consider alternative means of protecting the economy and preserving good conservation practices in the Klamath Basin. S. 469 became Public Law 85–132 and the sales of tribal property were postponed until the end of the 2d session of the 85th Congress. In addition, the date for final termination of Federal trusteeship over the Klamath Indians was advanced to August 13, 1960, so that if no further legislative action was taken, the sales of tribal property could be arranged at times and in quantities that would not unreasonably depress the timber market.

Following the passage of Public Law 85–132, S. 2047 was introduced to amend the basic termination act to provide for Federal acquisition of all the property belonging to the Kalmath Indians, and for establishing the Klamath timberlands as a national forest. On October 2 and 4, 1957, the Subcommittee on Indian Affairs held hearings on S. 2047 at Klamath Falls, Oreg., and Portland, Oreg. Testimony from the management specialists, representatives of the Klamath Tribe, conservationists, representatives of the Oregon State Legislative Interim Committee on Indian Affairs, and civic organizations overwhelmingly supported Federal purchase of the Indians' property as the most equitable and realistic solution to the Klamath termination problem.

On January 13, 1958, the Secretary of the Interior submitted to the Congress proposed legislation to amend Public Law 587. This bill was subsequently introduced by Senator Richard L. Neuberger, of Oregon, by request, and designated as S. 3051.

S. 2047 and S. 3051 were the subject of hearings before the Subcommittee on Indian Affairs conducted in Washington, D. C., on February 3, 4, 5, 6, 7, and 11, 1958. After thorough study and consideration, the Subcommittee on Indian Affairs recommended to the full Interior Committee the passage of S. 3051, with certain clarifying and strengthening amendments.

PURPOSE OF S. 3051

The primary purpose of S. 3051 is to provide for the continued sustained-yield management of that part of the Klamath Indian Forest

which must be sold to pay the tribal members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

SUMMARY OF S. 3051, AS AMENDED

1. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest and the tribal marsh.

2. The Indians who elect to stay in the tribe will keep the part of the forest that is allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law. The proposed management plan provides for sustained yield management.

3. The rest of the forest that must be sold on behalf of the withdrawing members will be offered in appropriate units for private purchase—

(*a*) at not less than the appraised realization value,

(*b*) subject to sustained-yield requirements that are enforceable by a forfeiture and reversion of title in the event of a violation of the requirements. The Federal Government is also fully protected in the event of a final judgment against the United States resulting from private sales.

Realization value is the amount for which the lands could be sold on the open market prior to the termination date, without limitation on use, if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law. The Indians cannot be required to take less.

4. The Secretary of Agriculture will purchase at the realization value the forest units not purchased by private industry for national forest administration. The Secretary of the Interior will also buy the marsh at its realization value, effective January 1, 1961, and it will become a national wildlife refuge. A maximum sum of $90 million is authorized to make these purchases. Any forest units that are not purchased by private industry or by the Secretary of Agriculture will be sold by the Secretary of the Interior under the Termination Act. Any purchase by the Secretary of Agriculture will occur on or about January 1, 1961, which will permit the termination program to be completed by August 13, 1961.

5. If any of the forest lands retained by the tribe are later offered for sale, the Secretary of Agriculture must be given the right of first refusal, and he is authorized to buy them for addition to the national forest system.

6. Any Klamath Indian who is occupying a homesite on forest land acquired by the Secretary of Agriculture will be entitled to continue to occupy a reasonable acreage of the homesite under regulations of the Secretary of Agriculture.

7. If lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract, the Secretary of Agriculture will be responsible for administering the contract.

8. Any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its

assigns to use any roads thereon. This provision is designed to assure adequate access to national forest lands and to any other lands that may be sold subject to sustained yield management requirements enforcible by the Secretary of Agriculture.

9. If the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary is authorized to adopt a management plan. This provision remedies a hiatus that exists in the present law.

10. The present requirement that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed because it will tend to cause a dissipation of the funds and to interfere with the establishment of guardianships and trusts for the Indians who need assistance.

11. The present preference right of any Klamath Indian to buy tribal lands that are offered for sale is clarified by spelling out the precise manner in which a withdrawing Indian may apply toward the purchase price the amounts due him as a withdrawing member.

12. Section 6 of S. 3051 provides that no funds distributed pursuant to section 5 of Public Law 587 to tribal members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the passage of, or amendments to, the Klamath Termination Act.

13. Section 7 of the bill authorized the Secretary of the Interior to transfer tribal cemeteries to an organization to be established by the tribe.

14. Section 8 of the bill amends section 6 of the 1954 act, as amended, to provide that the final termination date for the Klamath tribe shall be August 13, 1961.

JUSTIFICATION OF S. 3051

In accordance with the provisions of section 5 (a) 2 of the 1954 act, the management specialists have conducted the required election to determine the number of Klamaths who wished to withdraw from tribal membership and those who desired to remain in some form of tribal entity.

On April 28, 1958, the Department of the Interior announced that 77.3 percent of the 2,133 enrolled Indians had elected to withdraw and have their pro rata share of tribal assets converted into dollars. This election result is in stark contrast to the original expectation of Congress in 1954, that only a very small percentage of the Klamaths would elect to withdraw, and creates the situation which S. 3051 seeks to correct.

Unless S. 3051 is enacted, the management specialists for the Klamath Tribe now will be obligated to sell on a declining Pacific Northwest lumber market some 3.5 billion board-feet of pine timber and 1,400,000 cords of pulpwood within a period of less than 2 years.

In lumber form, this timber is equal to that needed for 500,000 homes, or half of the homes constructed annually in the Nation. It is an amount equal to approximately one-half of the lumber produced in Oregon which, as the national leader, produces one-fourth of the Nation's lumber. It is significant that the timber volume to be sold is substantially greater than the annual production in 46 of the 48 States. Further, this immense quantity of ponderosa pine that must

be marketed is equivalent to 60 percent of the annual cut for the entire United States national forest system.

Under the terms of existing law, this vast stand of timber and land would be placed on the auction block in order to satisfy the demands of withdrawing Klamath Indians. Competent witnesses before the Indian Affairs Subcommittee testified that such action would result in attracting to the sale a number of bidders desirous only of securing over 4 billion board-feet of timber for immediate cutting. There would be a temporary expansion of the economic activity in the area creating a demand for schools and local services while the liquidation of the timber proceeded. New sawmills would be constructed solely for the purpose of liquidating this timber. Because of the unavailability of substantial amounts of other private timber for acquisition in the area, the mills would have to write off their investment against the Indian timber they bought. At the close of their operation they would be forced to dismantle the mill. In addition, some of the existing mills which have been securing from the Klamath Reservation upward of 60 million board-feet of timber to augment their needs, would no longer have this supply source. The economic activity of the forest industry would thus be further decreased.

The magnitude of this economic catastrophe can be further gaged by the testimony of representatives of the Forest Service, who informed the committee that—

> Under Public Law 587, the management specialists are directed to sell sufficient Klamath Indian tribal property by August 13, 1960, to pay withdrawing tribe members their pro rata share of the assets in cash. There are indications that as many as 70 percent of the members might withdraw from the tribe. Assuming that this many do withdraw, over 3.3 billion board-feet of sawtimber (mainly ponderosa pine) and over 1.4 million cords of pulpwood (mainly lodgepole pine) would need to be sold. Since this resource would be sold without sustained-yield restrictions, it might be assumed that it would be liquidated and, in the process, made available to the same milling centers to which timber from neighboring national forests customarily moves. Thus, the timber-sale business on the national forests would tend to become depressed through a saturation of markets and mill capacity. We judge that the sale business on at least four neighboring national forests would be directly affected by liquidation of the Indian timber. These are the Rogue River, Deschutes, and Fremont National Forests in Oregon and the Modoc in California. These forests lie in 7 Oregon counties and 3 California counties.
>
> Financial impact on the national forests would be reflected in reduced timber sale receipts to the Federal Treasury. Such an impact would, in turn, result in a reduction in the amount of funds returned to local levels out of national forest receipts. There would be a reduction in the payments whereunder 25 percent of the receipts of each national forest are paid to the States for the benefit of public schools and

public roads of the counties in which the national forests are situated.

In order to evaluate the impact of national-forest operations in terms of losses to the Federal and local Government it is necessary to assume a period over which the Indian timber might be liquidated. It seems reasonable that such liquidation could be carreid out in a 10-year period, beginning in 1960. During that period it is estimated, if present trends in national-forest sale programs continue, some 4 billion board-feet of sawtimber and pulpwood would be cut on the 4 neighboring forests. But if the Indian timber is liquidated during the period it is assumed the cut on the national forests would be reduced to 1.9 billion board-feet of sawtimber and pulpwood. Such assumption takes into account allowances for utilization of mill capacity not now being used, for installation of some new capacity, and for capacity now normally supplied by Indian timber. Based on these assumptions and present timber values, revenue losses for the 10-year period are estimated as follows:

Gross loss in Federal receipts	$49, 700, 000
Loss in 25 percent share for roads and schools of 7 Oregon and 3 California counties	12, 425, 000

This vital high Klamath area of 860,000 acres is an important watershed for the Klamath River. The rapid cutting of the reservation timber would affect the water-holding and runoff characteristics of this important watershed upon which downstream areas are dependent for domestic water, irrigation, fisheries, and power. Forest-covered areas retain snow pack for a longer period than open or improperly cutover areas. Sustained-yield cutting in the pine region is of the tree selection type which preserves the forest cover. Rapid cutting would increase logging slash to hazardous proportions on a 500,000-acre block for several years. Even with superior attention to fire protection there would be the risk in a dry year of a conflagration which could destroy the thin pumice soil overlaying this watershed. Were this property to fall into the hands of persons desirous of only liquidating the timber, adjacent private and public timber and range lands would also be jeopardized.

The Klamath Reservation also contains an important marsh of some 15,967 acres. This marsh is presently the breeding, feeding, and nesting ground for countless thousands of migratory ducks and geese traveling the Pacific flyway. Under S. 3051, the marsh will be purchased by the Government and added to the refuge system maintained and operated by the Fish and Wildlife Service. It would continue to fulfill its function as a sanctuary for waterfowl and other birds.

But, under Public Law 587, the resources of the reservation must immediately be converted into enough cash to satisfy the withdrawal demands of 77.3 percent of the Klamath Tribe. The marsh obviously has no cash value to private individuals as a sanctuary for game birds. Thus, it probably would be sold to ranchers and then drained, to be converted to grazing or farming land. The birds traditionally flying there—by habits and heritage established over countless years—either would die of famine or drought, or they would raid nearby agricultural lands and be picked off in a wide and continuing slaughter.

In any event, the result would be adverse from the standpoint of conserving and protecting wildlife.

The Klamath Reservation has been appraised by competent private appraisers, who have established the value of tribal timberland and marsh assets at $119,758,029. By reason of the tribal election, it will be necessary to sell timber and land to the extent of about $92,573,000.

It is the opinion of the committee that to permit this Indian Termination Act to be carried out in its present form would result in the destruction of the Klamath Forest, one of the finest stands of ponderosa pine timber remaining in the United States. In order to prevent this catastrophe, and to assure that the Klamath Indians receive a fair and equitable price for their property, it is recommended that S. 3051 be enacted, as amended. This bill offers private enterprise a full opportunity to acquire this valuable property, but requires its operation on a sustained yield forest management and cutting basis. This will assure sound cutting without attendant economic dislocation to the area. The various local communities will thus be better assured of a stable and healthy growth.

Private forest industries have made modest advances toward sustained yield. Today only one-ninth of the privately owned commercial forest land in the United States is in the privately sponsored tree farms program. Considerably less acreage is actually in true sustained-yield management. In contrast, the entire national forest system has been in sustained-yield management since 1897.

Encouragement is thus provided in this bill for those firms who practice sustained yield, as well as those which may desire to embark on a sustained-yield program to acquire the 77.3 percent of the reservation that will be offered for sale.

Instead of offering the timber and land in separate units without a sustained-yield covenant, as planned under Public Law 587, this bill provides that the Department of the Interior, through the management specialists, will establish 10 or more economic sustained-yield units. Tentative specifications and minimum requirements for sustained-yield prepared jointly by the Departments of Interior and Agriculture set forth the procedure for assuring accomplishment of private sustained-yield management on this land.

The provision authorizing competitive sale to private industry requires that the Secretary offer the units at their "realization value." The private appraisers have determined the fair market value of the reservation. In order to achieve this value it would be necessary to offer the timber and other resources for sale over a reasonable period of time so as not to saturate the market. The Indians electing to withdraw have had every opportunity to know that in so voting, the sale required to satisfy their elected wish must be made by the spring of 1960. The $118,407,530 realization value, arrived at under Public Law 587, for the 95 timber units represents the private appraiser's and the Secretary of the Interior's best judgment of the equivalent to the fair market value, taking into account the requirement of existing law specifying prompt realization of the sale proceeds for payment to the Indians. The financial principle involved is that if the property has a fair market value which can be realized only by selling approximately equal parts over a period of years, a lump sum payment now of the "realization value" is equivalent to fair market value. By expressing

a desire for cash now the seller, in this case, elects to accept a realization value rather than to defer receipt of the proceeds.

There are intangible factors in an appraisal as extensive as this one which cannot be accurately measured prior to a bona fide offering. The Secretary of the Interior, after long and careful study, has determined that the realization value of the property is suitable for application to a sale either under Public Law 587 or for this amendment to Public Law 587. It is therefore applicable to either section 28 (b) or 28 (c) of the bill, and has been applied consistently by the Secretary.

Further, assurance that the major portion of the reservation will be promptly sold to satisfy withdrawing members is found in section 28 (c) which provides that should private purchasers fail to buy the reservation under the terms and conditions of S. 3051, then, and only then, will the United States acquire these lands for national forest purposes and management. A maximum sum of $90 million is authorized which will permit acquisition of the marsh, timber, and range lands. This will assure the preservation of the Klamath Forest. The remaining small portion, which will not be needed for conservation purposes, will be sold under competitive bid and without restriction.

Because of the nature of the Klamath termination problem and the need for corrective legislative action at this session of the 85th Congress, the committee recommends prompt and affirmative action at an early date on S. 3051.

The executive communication of the Department of the Interior dated January 13, 1958, recommending enactment of S. 3051, is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 13, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

We recommend that the proposed bill be referred to the appropriate committee for consideration; and we recommend that the bill be enacted.

The purpose of the bill is to assure the continued sustained yield management of the part of the Klamath Indian Forest that must be sold in order to pay the members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

Congress has determined by the Termination Act of August 13, 1954 (68 Stat. 718), that a continuation of the Federal trust over the property of the Klamath Indians would not be in the best interest of the Indians. The essence of the Termination Act is that the Klamath Indians shall be freed of all Federal restraints applicable to them because of their Indian origin, and that they shall be placed in the same status as all other citizens, subject to no special restrictions or

rights. As would be the case in any group, however, certain individuals may not be qualified to handle a large capital asset with reasonable prudence, and the 1954 statute requires the Secretary of the Interior to safeguard the interests of these individuals, before terminating the Federal trust, by arranging for the appointment of guardians through the State courts or by such other means as he deems adequate, which could include the establishment of individual private trusts for them.

Another basic feature of the Termination Act is the provision that each member of the tribe shall be given an opportunity to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him. Those members who remain in the tribe will participate in a tribal management plan for the residual tribal assets.

The need for further legislation arises from the fact that a large percentage of the members of the tribe is expected to withdraw from the tribe, which will require a large part of the forest to be sold in order to pay the withdrawing members their proportionate share of the tribal assets. If such sales are made under the present law a large part of the forest will not be continued under sustained-yield management.

The conservation of this timber resource is of primary importance to the economy of the area and to the welfare of the public generally. In recognition of this fact, Congress has deferred any sales of tribal forest lands until after the end of the 2d session of the 85th Congress in order that further legislation may be considered.

The manner in which the Klamath Indian Forest is managed in the future will have a vital impact on the life and economy of the entire Klamath River Basin. If it is kept intact and managed according to sustained yield principles, the forest will remain a perpetually productive source of ponderosa pine and other commercial species. Such management will also assure continuation of its important function as a watershed. The large numbers of migratory waterfowl for which it now provides nesting and feeding grounds will be protected, as will the deer and other species of wild animals that now find sanctuary within its boundaries. Further development of the forest's recreational potential will also be made possible.

If sustained yield management is abandoned and the forest is broken up and disposed of in small individual tracts, all these values soon may be lost.

The likelihood of the forest's being dissipated in this fashion is a matter for genuine concern.

The tremendously disruptive influence that rapid cutting of the Klamath Forest would have on the economy of the area is not difficult to contemplate when it is realized that 40 percent of the area's economy is based on timber production, and that the Indian timber includes about 26 percent of the total commercial forest area and 26 percent of the sawtimber volume in Klamath County.

Other values of the forest, while less tangible than timber, are of significant importance and must be considered in the public interest.

In the fall, waterfowl by the millions, following the Pacific flyway, pour into the upper Klamath Basin to rest and feed before continuing southward to their wintering grounds. The marsh on the Klamath Reservation is the most important marsh to waterfowl that is left unprotected in the Nation. This nesting area has been one of the

mainstays in keeping up the supply of redheads, canvasbacks, and ruddy ducks in the Pacific flyway. Deer and other wild creatures also find year-round habitat in the forest.

The influence which the Klamath Reservation forest has in reducing flood crests and stabilizing the flow of streams throughout the year is a contributing reason for preventing the timber from being cut to the minimum specifications of the State law. Approximately 303,000 acres of irrigated farmlands are dependent on streams that head on the forest slopes of the Klamath Basin.

The maximum development of water power on the Klamath River cannot be realized without the protection of its headwaters. A large part of the extensive water resource of the Klamath Basin originates in the many large springs found on reservation lands. Rapid cutting of the Klamath Reservation forest well might jeopardize the farm production and the water power developments dependent on the watershed protection provided by this forest.

Furthermore, denuding this area of its forest cover would destroy its scenic and recreational appeal, and the slash left from hurry-up logging operations would tend to increase the fire hazard.

When it is considered that this 745,280-acre tribally owned forest area, described as one of the finest of its type, now is contributing so vitally to the general welfare of the Klamath River Basin and to the Nation it must be concluded that any action that would in the long run diminish or eliminate those benefits should be avoided.

This Department believes that only through sustained yield management of the forest can its timber, water, wildlife, and recreational resources be maintained. It is generally conceded that much of the area will not be continued under sustained yield management if it is sold under the present law.

Federal acquisition of the part of the forest that must be sold, and payment to the Indians of the full amount they could expect to receive if the forest lands were sold under the present Termination Act would accomplish the conservation objective without infringing the rights of the Indians. Before authorizing Federal acquisition, however, we believe that private industry should be given an opportunity to acquire the land, at the same price, subject to an enforcible contractual agreement to follow sustained yield management practices.

There are two major difficulties to this approach. One is that Federal enforcement of a sustained-yield agreement will present administrative problems. These will be minimized if the lands that are to be sold are offered for sale in a comparatively small number of units, for example, 10 to 15, containing relatively large acreages. The other is the possibility that private industry may not be willing to pay the full market value of the land if it is subjected to a sustained yield requirement. This fact can be ascertained only by making the offer. If private industry is not willing to purchase under these circumstances, then this Department recommends Federal purchase of the lands.

If the forest lands cannot be sold to private industry under the plan proposed, Federal acquisition would be in accord with the conservation program vigorously pursued by President Theodore Roosevelt a half century ago. In his annual message to Congress dated December 3, 1901, as quoted in volume 103, Congressional Record, page 1257, he said:

"The forest reserves will inevitably be of still greater use in the future than in the past. Additions should be made to them whenever practicable, and their usefulness should be increased by a thoroughly businesslike management."

In a letter dated August 24, 1906, as quoted in volume 103, Congressional Record, page 1258, to Gifford Pinchot, President Roosevelt said:

"The forest policy of the administration * * * is based * * * on the vigorous purpose to make every resource of the forest reserves contribute in the highest degree to the permanent prosperity of the people who depend upon them. If ever the time should come when the western forests are destroyed, there will disappear with them the prosperity of the stockman, the miner, the lumberman, and the railroads, and most important of all, the small ranchman who cultivates his own land. I know that you are with me in the intention to preserve the timber, the water, and the grass by using them fully, but wisely and conservatively. We propose to do this through the freest [sic] and most cordial cooperation between the Government and every man who is in sympathy with the policy, * * *."

The bill which we recommend can be summarized as follows:

1. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest and the tribal marsh.

2. The Indians who elect to stay in the tribe will keep the part of the forest that is allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law. The proposed management plan provides for sustained yield management.

3. The rest of the forest that must be sold on behalf of the withdrawing members will be offered in appropriate units for private purchase—

(*a*) at not less than the appraised realization value,

(*b*) subject to sustained yield requirements that are enforceable by a forfeiture and reversion of title in the event of a violation of the requirements. Enforcement could also be obtained by injunction in appropriate cases.

Realization value is the amount for which the lands could be sold on the open market prior to the termination date, without limitation on use, if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law. The Indians cannot be required to take less.

4. The Secretary of Agriculture will purchase at the realization value any of the forest units not purchased by private industry that are suitable for national forest administration. Any units that are not purchased by private industry or by the Secretary of Agriculture will be sold by the Secretary of the Interior under the Termination Act. Any purchase by the Secretary of Agriculture will occur on or about January 1, 1960, which should permit the termination program to be completed by August 13, 1960, as required by present law.

5. If any of the forest lands retained by the tribe are later offered for sale, the Secretary of Agriculture must be given the right of first refusal, and he is authorized to buy them for addition to the national forest system.

6. The Secretary of the Interior will buy the marsh at its realization value, effective January 1, 1960, and it will become a national wildlife refuge.

7. Any Klamath Indian who is occupying a homesite on forest land acquired by the Secretary of Agriculture will be entitled to continue to occupy a reasonable acreage of the homesite under regulations of the Secretary of Agriculture.

8. If lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract, the Secretary of Agriculture will be responsible for administering the contract.

9. Any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its assigns to use any roads thereon. This provision is designed to assure adequate access to national forest lands and to any other lands that may be sold subject to sustained-yield management requirements enforcible by the Secretary of Agriculture.

10. If the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary is authorized to adopt a management plan. This provision remedies a hiatus that exists in the present law.

11. The present requirement that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed because it will tend to cause a dissipation of the funds and to interfere with the establishment of guardianships and trusts for the Indians who need assistance.

12. The present preference right of any Klamath Indian to buy tribal lands that are offered for sale is clarified by spelling out the precise manner in which a withdrawing Indian may apply toward the purchase price the amounts due him as a withdrawing member. The present law is not clear in this repect.

We are not able to estimate at the present time the amount of the Federal appropriation that may be necessary to carry out the provisions of the bill. The amount will depend upon the number of members who elect to withdraw from the tribe and upon the willingness of private industry to purchase tribal forest lands at their realization value and subject to sustained-yield management requirements. Any Federal funds required will need to be appropriated in fiscal year 1960. Such expenditure is not expected to require the employment of any additional employees by this Department.

The Secretary of Agriculture concurs in our recommendation that the enclosed bill be enacted.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

A BILL To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than 75 years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of

Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon such reversion of title the lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by

inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (S. 3051), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 13, 1954 (68 STAT. 718)

That the purpose of this Act is to provide for the termination of Federal supervision over the trust and restricted property of the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and of the individual members thereof, for the disposition of federally owned property acquired or withdrawn for the administration of the affairs of said Indians, and for a termination of Federal services furnished such Indians because of their status as Indians.

SEC. 2. For the purposes of this Act:

(a) "Tribe" means the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

(b) "Secretary" means the Secretary of the Interior.

(c) "Lands" means real property, interests therein, or improvements thereon, and include water rights.

(d) "Tribal property" means any real or personal property, including water rights, or any interest in real or personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

(e) "Adult" means a person who is an adult according to the law of the place of his residence.

SEC. 3. At midnight of the date of enactment of this Act the roll of the tribe shall be closed and no child born thereafter shall be eligible for enrollment: *Provided*, That the tribe shall have a period of six months from the date of this Act in which to prepare and submit to the Secretary a proposed roll of the members of the tribe living on the date of this Act, which shall be published in the Federal Register. If the tribe fails to submit such roll within the time specified in this section, the Secretary shall prepare a proposed roll for the tribe, which shall be published in the Federal Register. Any person claiming membership rights in the tribe or an interest in its assets, or a representative of the Secretary on behalf of any such person, may, within ninety days from the date of publication of the proposed roll, file an appeal with the Secretary contesting the inclusion or omission of the name of any person on or from such roll. The Secretary shall review

such appeals and his decisions thereon shall be final and conclusive. After disposition of all such appeals, the roll of the tribe shall be published in the Federal Register, and such roll shall be final for the purposes of this Act.

SEC. 4. Upon publication in the Federal Register of the final roll as provided in section 3 of this Act, the rights or beneficial interests in tribal property of each person whose name appears on the roll shall constitute personal property which may be inherited or bequeathed, but shall not otherwise be subject to alienation or encumbrance before the transfer of title to such tribal property as provided in section 6 of this Act without the approval of the Secretary. Any contract made in violation of this section shall be null and void.

SEC. 5. (a) The Secretary is authorized and directed to select and retain by contract, at the earliest practicable time after the enactment of this Act and after consultation with the tribe at a general meeting called for that purpose, the services of qualified management specialists who shall—

(1) cause an appraisal to be made, within not more than twelve months after their employment, or as soon thereafter as practicable, of all tribal property showing its fair market value by practicable logging or other appropriate economic units;

(2) immediately after the appraisal of the tribal property and approval of the appraisal by the Secretary, give to each member whose name appears on the final roll of the tribe an opportunity to elect to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in the tribal management plan to be prepared pursuant to paragraph (5) of this subsection; in the case of members who are minors, persons declared incompetent by judicial proceedings, or deceased, the opportunity to make such election on their behalf shall be given to the person designated by the Secretary as the person best able to represent the interests of such member: *Provided, however,* That any member, or any heir or any devisee of any deceased member, for whom the Secretary has so designated a representative may (on his own behalf, through his natural guardian, or next friend) within one hundred and twenty days after receipt of written notice of such secretarial designation, contest the secretarial designation in any naturalization court for the area in which such member resides, by filing of a petition therein requesting designation of a named person other than the secretarial designee, and the burden shall thereupon devolve upon the Secretary to show cause why the member-designated representative should not represent the interests of such member, and the decision of such court shall be final and conclusive;

(3) determine and select the portion of the tribal property which if sold at the appraised value would provide sufficient funds to pay the members who elect to have their interests converted into money, arranged for the sale of such property, and distribute the proceeds of sale among the members entitled thereto: [*Provided,* That whenever funds have accumulated in the amount of $200,000 or more, such funds shall be distributed pro rata to the members who elected to take distribution of their in-

dividual shares, and there after similar pro rata distribution shall be made whenever funds have accumulated in the amount of $200,000 or more until all of the property set aside for sale shall have been sold and the proceeds distributed:] *Provided further,* That any person whose name appears on the final roll of the tribe, or a guardian on behalf of any such person who is a minor or an incompetent, shall have the right to purchase, for his or its own account but not as an agent for others, any of such property in lots as offered for sale for not less than the highest offer received by competitive bid; [any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property]; *any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property;* and if more than one right is exercised to purchase the same property pursuant to this proviso the property shall be sold to one of such persons on the basis of competitive bids: *Provided further,* That when determining and selecting the portion of the tribal property to be sold, due consideration shall be given to the use of such property for grazing purposes by the members of both groups of the tribe;

(4) cause such studies and reports to be made as may be deemed necessary or desirable by the tribe or by the Secretary in connection with the termination of Federal supervision as provided for in this Act; and

(5) cause a plan to be prepared in form and content satisfactory to the members who elect to remain in the tribe and to the Secretary for the management of tribal property through a trustee, corporation, or other legal entity. *If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act.*

(b) Such amounts of Klamath tribal funds as may be required for the purposes of this section shall be available for expenditure by the Secretary. In order to reimburse the tribe, in part, for expenditure of such tribal funds as the Secretary deems necessary for the purposes of carrying out the requirements of this section, there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, an amount equal to one-half of such expenditures from tribal funds, or the sum of $550,000, whichever is the lesser amount.

SEC. 6. (a) The Secretary is authorized and directed to execute any conveyancing instrument that is necessary or appropriate to convey title to tribal property to be sold in accordance with the provisions of paragraph (3) of subsection (a) of section 5 of this Act, and to transfer title to all other tribal property to a trustee, corporation, or other legal entity in accordance with the plan prepared pursuant to paragraph (5) of subsection (a) of section 5 of this Act.

(b) It is the intention of the Congress that all of the actions required by sections 5 and 6 of this Act shall be completed at the earliest practicable time and in no event later than [six years] *seven years* from the date of this Act.

(c) Members of the tribe who receive the money value of their interests in tribal property shall thereupon cease to be members of the tribe: *Provided,* That nothing shall prevent them from sharing in the proceeds of tribal claims against the United States.

SEC. 7. The Secretary is authorized and directed, as soon as practicable after the passage of this Act, to pay from such funds as are deposited to the credit of the tribe in the Treasury of the United States, $250 to each member of the tribe on the rolls of the tribe on the date of this Act. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of $250: *Provided,* That such payments shall be made first from the capital reserve fund created by the Act of August 28, 1938 (25 U. S. C., Sec. 530).

SEC. 8. (a) The Secretary is authorized and directed to transfer within four years from the date of this Act to each member of the tribe unrestricted control of funds or other personal property held in trust for such member by the United States.

(b) All restrictions on the sale or encumbrance of trust or restricted interests in land, wherever located, owned by members of the tribe (including allottees, purchasers, heirs, and devisees, either adult or minor), and on trust or restricted interests in land within the Klamath Indian Reservation, regardless of ownership, are hereby removed four years after the date of this Act, and the patents or deeds under which titles are then held shall pass the titles in fee simple, subject to any valid encumbrances: *Provided,* That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than ten years. The titles to all interests in trust or restricted land acquired by members of the tribe by devise or inheritance four years or more after the date of this Act shall vest in such members in fee simple, subject to any valid encumbrance.

(c) Prior to the time provided in subsection (b) of this section for the removal of restrictions on land owned by one or by more than one member of a tribe, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner a patent or deed for his individual share that shall become unrestricted four years from the date of this Act;

(2) upon request of any of the owners, and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided,* That any one or more of the owners may elect before a sale to purchase the other interests in the land at not less than the appraised value thereof, and the purchaser shall receive an unrestricted patent or deed to the land; and

(3) if the whereabouts of none of the owners can be ascertained, cause such lands to be sold and deposit the proceeds of sale in the Treasury of the United States for safekeeping.

(d) The Secretary is hereby authorized to approve—

(1) the exchange of trust or restricted land between the tribe and any of its members;

(2) the sale by the tribe of tribal property to individual members of the tribe; and

(3) the exchange of tribal property for real property in fee status. Title to all real property included in any sale or exchange as provided in this subsection shall be conveyed in fee simple.

SEC. 9. (a) The Act of June 25, 1910 (36 Stat. 855), the Act of February 14, 1913 (37 Stat. 678), and other Acts amendatory thereto shall not apply to the probate of the trust and restricted property of the members of the tribe who die six months or more after the date of this Act.

(b) The laws of the several States, Territories, possessions, and the District of Columbia with respect to the probate of wills, the determination of heirs, and the administration of decedents' estates shall apply to the individual property of members of the tribe who die six months or more after the date of this Act.

(c) Section 5 of the Act of June 1, 1938 (52 Stat. 605), is hereby repealed.

SEC. 10. The Secretary is authorized, in his discretion, to transfer to the tribe or any member or group of members thereof any federally owned property acquired, withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary for public use and from which members of the tribe will derive benefit.

SEC. 11. No property distributed under the provisions of this Act shall at the time of distribution be subject to Federal or State income tax. Following any distribution of property made under the provisions of this Act, such property and any income derived therefrom by the individual, corporation, or other legal entity shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided*, That, for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the individual, corporation, or other legal entity.

SEC. 12. Sections 2, 3, 4, 5, and 6 of the Act of August 28, 1937 (50 Stat. 872, 873), and section 2 (a) of the Act of August 7, 1939 (53 Stat. 1253), are repealed effective on the date of the transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this Act. All loans made from the reimbursable loan fund established by section 2 of the Act of August 28, 1937 (50 Stat. 872), and all other loans made from Klamath tribal funds, including loans of livestock made by the tribe repayable in kind, shall be transferred to the tribe for collection in accordance with the terms thereof.

SEC. 13. (a) That part of section 5 of the Act of August 13, 1914 (35 Stat. 687; 43 U. S. C. 499), which relates to the transfer of the care, operation, and maintenance of reclamation works to water users associations or irrigation districts shall be applicable to the irrigation works on the Klamath Reservation.

(b) Effective on the first day of the calendar year beginning after the date of the proclamation provided for in section 18 of this Act, the deferment of the assessment and collection of construction costs provided for in the first proviso of the Act of July 1, 1932 (47 Stat. 564;

25 U. S. C. 386a), shall terminate with respect to any lands within irrigation projects on the Klamath Reservation. The Secretary shall cause the first lien against such lands created by the Act of March 7, 1928 (45 Stat. 200, 210), to be filed of record in the appropriate county office.

(c) There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated the sum of $89,212 for payment to the Klamath Tribe with interest at 4 per centum annually as reimbursement for tribal funds used for irrigation construction, operation, and maintenance benefiting nontribal lands on the Klamath Reservation, such interest being computed from the dates of disbursement of such funds from the United States Treasury.

(d) The Secretary is authorized to adjust, eliminate, or cancel all or any part of reimbursable irrigation operation and maintenance costs and reimbursable irrigation construction costs chargeable against Indian-owned lands that are subject to the provisions of this Act, and all or any part of assessments heretofore or hereafter imposed on account of such costs, when he determines that the collection thereof would be inequitable or would result in undue hardship on the Indian owner of the land, or that the administrative costs of collection would probably equal or exceed the amount collected.

(e) Nothing contained in any other section of this Act shall affect in any way the laws applicable to irrigation projects on the Klamath Reservation.

SEC. 14. (a) Nothing in this Act shall abrogate any water rights of the tribe and its members, and the laws of the State of Oregon with respect to the abandonment of water rights by nonuse shall not apply to the tribe and its members until fifteen years after the date of the proclamation issued pursuant to section 18 of this Act.

(b) Nothing in this Act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty.

SEC. 15. Prior to the transfer of title to, or the removal of restrictions from, property in accordance with the provisions of this Act, the Secretary shall protect the rights of members of the tribe who are minors, non compos mentis, or in the opinion of the Secretary in need of assistance in conducting their affairs, by causing the appointment of guardians for such members in courts of competent jurisdiction, or by such other means as he may deem adequate, without application from the member, including but not limited to the creation of a trust of such member's property with a trustee selected by the Secretary, or the purchase by the Secretary of an annuity for such member: *Provided, however,* That no member shall be declared to be in need of assistance in conducting his affairs unless the Secretary determines that such member does not have sufficient ability, knowledge, experience, and judgment to enable him to manage his business affairs, including the administration, use, investment, and disposition of any property turned over to such member and the income and proceeds therefrom, with such reasonable degree of prudence and wisdom as will be apt to prevent him from losing such property or the benefits thereof: *Provided further,* That any member determined by the Secretary to be in need of assistance in conducting his affairs may, within one hundred and twenty days after receipt of written notice of such secretarial determination, contest the secretarial determination in any naturaliza-

tion court for the area in which said member resides by filing therein a petition having that purpose; the burden shall thereupon devolve upon the Secretary to show cause why such member should not conduct his own affairs, and the decision of such court shall be final and conclusive with respect to the affected member's conduct of his affairs.

SEC. 16. Pending the completion of the property dispositions provided for in this Act, the funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe, or for expenditure, for such purposes as may be designated by the governing body of the tribe and approved by the Secretary.

SEC. 17. The Secretary shall have authority to execute such patents, deeds, assignments, releases, certificates, contracts, and other instruments as may be necessary or appropriate to carry out the provisions of this Act, or to establish a marketable and recordable title to any property disposed of pursuant to this Act.

SEC. 18. (a) Upon removal of Federal restrictions on the property of the tribe and individual members thereof, the Secretary shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to the affairs of the tribe and its members has terminated. Thereafter individual members of the tribe shall not be entitled to any of the services performed by the United States for Indians because of their status as Indians and, except as otherwise provided in this Act, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction.

(b) Nothing in this Act shall affect the status of the members of the tribe as citizens of the United States.

SEC. 19. Effective on the date of the proclamation provided for in section 18 of this Act, all powers of the Secretary or other officer of the United States to take, review, or approve any action under the constitution and bylaws of the tribe are hereby terminated. Any powers conferred upon the tribe by such constitution which are inconsistent with the provisions of this Act are hereby terminated. Such termination shall not affect the power of the tribe to take any action under its constitution and bylaws that is consistent with this Act without the participation of the Secretary or other officer of the United States.

SEC. 20. The Secretary is authorized to set off against any indebtedness payable to the tribe or to the United States by an individual member of the tribe or payable to the United States by the tribe, any funds payable to such individual or tribe under this Act and to deposit the amounts set off to the credit of the tribe or the United States as the case may be.

SEC. 21. Nothing contained in this Act shall deprive the tribe or its constituent parts of any right, privilege, or benefit granted by the Act of August 13, 1946 (60 Stat. 1049).

SEC. 22. Nothing in this Act shall abrogate any valid lease, permit, license, right-of-way, lien, or other contract heretofore approved. Whenever any such instrument places in or reserves to the Secretary any powers, duties, or other functions with respect to the property subject thereto, the Secretary may transfer such functions, in whole or in part, to any Federal agency with the consent of such agency and

may transfer such functions, in whole or in part to a State agency with the consent of such agency and the other party or parties to such instrument.

SEC. 23. The Secretary is authorized to issue rules or regulations necessary to effectuate the purposes of this Act, and may in his discretion provide for tribal referenda on matters pertaining to management or disposition of tribal assets.

SEC. 24. All Acts or parts of Acts inconsistent with this Act are hereby repealed insofar as they affect the tribe or its members. Effective on the first day of the fiscal year beginning after the date of the proclamation provided for in section 18 of this Act, section 2 of the Act of August 19, 1949 (63 Stat. 621, ch. 468) shall become inapplicable to the unrecouped balance of funds expended in cooperation with the school board of Klamath County, Oregon, pursuant to said Act.

SEC. 25. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 26. Prior to the issuance of a proclmation in accordance with the provisions of section 18 of this Act, the Secretary is authorized to undertake, within the limits of available appropriations, a special program of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or person. Nothing in this section shall preclude any Federal agency from undertaking any other program for the education and training of Indians with funds appropriated to it.

SEC. 27. Notwithstanding any other provisions of this Act, no sales of tribal property shall be made pursuant to paragraph (3) of subsection (a) of section 5, or section 6 of this Act prior to the adjournment of the second session of the Eighty-fifth Congress.

SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than one hundred years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2)

of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained-yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within sixty days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (c) of this section, an aggregate realization value of not to exceed ninety million dollars, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization

value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

(e) The lands that comprise the Klamath Marsh shall be part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States effective January 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agricutlure may issue to safeguard the administration of the national forest.

(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

(h) All sales of tribal lands pursuant to subsection (b) of this section on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads.

○

Calendar No. 1543

85TH CONGRESS
2D SESSION

S. 3051

[Report No. 1518]

IN THE SENATE OF THE UNITED STATES

JANUARY 16, 1958

Mr. NEUBERGER (by request) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

MAY 5, 1958

Reported by Mr. NEUBERGER, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath

Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than ~~seventy five~~ *one hundred* years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be

responsible for enforcing such conditions. ~~Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.~~ *The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within sixty days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which the hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.*

~~"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold~~

~~before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.~~

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units

or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase

such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, ~~1960~~ *1961*. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that

purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands *pursuant to subsection (b) of this section* on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from

or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 per centum of the amount estimated by the Secretary to

be due him from the conversion of his interest in other tribal property".

SEC. 6. No funds distributed pursuant to section 5 of said Act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reserration. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within six months following enactment of this Act, the Secretary is directed to perfect the organization of a non-profit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the prorisions of section 5 (b) of said Act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".

Calendar No. 1543

85TH CONGRESS
2D SESSION

S. 3051

[Report No. 1518]

A BILL

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

By Mr. NEUBERGER

JANUARY 16, 1958

Read twice and referred to the Committee on Interior and Insular Affairs

MAY 5, 1958

Reported with amendments

S. 3051

A BILL

5. FOREIGN TRADE. Rep. Bailey criticized proposals to extend the reciprocal trade program, and inserted a letter from the general export manager for the Pittsburg Plate Glass Company showing the relation of imports to exports in 5-year periods from 1901 to 1957 and stating that the figures "demonstrate conclusively that our imports have retained the same relation to our exports during all of the last 56 years." p. 7320

6. BUDGETING. Received from this Department a report on a violation of section 3679 of the Revised Statutes, as amended, involving an overobligation of an allotment of funds made by the Director of the Agricultural Estimates Division, Agricultural Marketing Service; to Appropriations Committee. p. 7321

SENATE

7. RECLAMATION. Agreed to, with amendment, S. Res. 299, expressing it as the sense of the Senate that construction of various reclamation projects in 17 Western States should be accelerated. pp. 7265, 7270-7

The Interior and Insular Affairs Committee reported the following bills:

Without amendment H. R. 6940, to authorize the Interior Department to reimburse owners of lands acquired under the Federal reclamation laws for their moving expenses (S. Rept. 1520);

With amendments S. 2215, to authorize the Interior Department to construct, operate, and maintain the Spokane Valley project (S. Rept. 1522). p. 7239

8. TEXTILES. Agreed to, as reported, S. Res. 287, to authorize a study of the textile industry by the Interstate and Foreign Commerce Committee. pp. 7270, 7278, 7280-3

9. FORESTRY. S. 3051, to provide alternatives of either Federal or private acquisition of the part of the Klamath Indian forest lands which must be sold under the Termination Act, was made the unfinished business. pp. 7285-7

10. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 12326, the deficiency appropriation bill for 1958 (S. Rept. 1523). p. 7239

11. MINING. The Interior and Insular Affairs Committee reported with amendments S. 3199, to provide that the period for doing annual assessment work on mineral claims yet unpatented would be from Aug. 15 to the next Aug. 15, commencing in 1959 (S. Rept. 1521). p. 7239

12. AREA DEVELOPMENT. Sen. Clark urged passage of S. 3683, the area development bill, and discussed certain criticisms which had been made in regard to provisions in the bill. Sen. Payne expressed his agreement. pp. 7278-80

13. REGULATORY AGENCIES. Sen. Proxmire inserted a speech by a news reporter on criticisms of regulatory agencies, including improper approaches to the commissioners, decisions made prior to hearing cases, and too-close identification with the industry to be regulated, with certain proposals for reform. pp. 7253-5

14. COOPERATIVES. Sen. Carlson inserted a resolution of the Committee of Kansas Farm Organizations urging Congress to declare its policy to be the encouragement and assistance of farmer cooperatives. p. 7239

15. FLOOD INSURANCE. Received a Calif. Legislature resolution urging Congress to provide funds to reactivate the Federal Flood Insurance Administration. p. 7238

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of May 6, 1958
85th-2d, No. 71

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HIGHLIGHTS: Senate adopted measure urging accelerated reclamation program.

HOUSE

1. WATERSHEDS. Received from the Agriculture Committee a letter approving work plans for the following watershed projects: Little Tallapoosa River, Ga., Prairie Creek, Ind., Ellison Creek, Miss., Mud Creek, N. C., Swan-Buffalo Creek, N. Dak., and Little Pudding River, Ore. The work plans were referred to the Appropriations Committee. pp. 7294, 7321-22

2. FLOOD CONTROL. Rep. Brooks spoke of current floods in the Red River Valley, and urged enactment of a rivers and harbors and flood control bill. p. 7294

3. APPROPRIATIONS. Passed without amendment H. R. 12326, the urgent deficiency appropriation bill for 1958. The bill includes funds for unemployment compensation for Federal employees and for the construction on Forest Service lands, by the Defense Department, of a sports arena for use in the 1960 Olympic Winter Games. pp. 7300-07

4. ECONOMIC SITUATION. Rep. Curtis, Mo., discussed the current economic situation, criticized "the misuse of statistics which undermines economic confidence and hurts the cause of realistic recession remedies," and stated that per capita farm income has increased more rapidly than nonfarm income since 1934. pp. 7313-19

be unwise to act upon the bill as it is pending in the Senate. I said to the chairman of the committee today what I said to him yesterday. I have great confidence not only in him, but also in the ranking minority member of the committee, with whom I have served for many years in the House and Senate. I said I did not propose to bring up at this hour a bill of this type about which there is great controversy, unless I had an opportunity to see if the different viewpoints could be reconciled.

Mr. President, I withdraw my motion to consider the bill, and I move that the Senate proceed to the consideration of Calendar No. 1543, Senate bill 3051.

The PRESIDING OFFICER. The bill will be reported by title for the information of the Senate.

Mr. WILLIAMS. Mr. President, may I ask the Senator from Texas if he has any intention of bringing up the bill at a later date?

Mr. JOHNSON of Texas. Not until I have given ample notice to every Senator of the minority who may be interested, and not until the chairman and the ranking minority member of the committee have gone over the bill further to see if a solution which will be in the national interest can be reached, and which will meet with the approval of the Senator from Delaware.

Mr. WILLIAMS. It was my understanding, in talking with both the chairman and the ranking minority member of the committee an hour ago that they were very anxious to bring up the bill. The chairman of the committee, especially, less than an hour ago said that he wanted to bring up the bill. So I am somewhat puzzled about what they found in the bill which has caused them suddenly to decide that they do not want to bring it up.

Mr. JOHNSON of Texas. Mr. President, may I have action on my motion?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. WILLIAMS. Mr. President, I should like to know if the chairman of the Committee on Post Office and Civil Service will give us——

The PRESIDING OFFICER. The clerk has not yet stated the bill by title.

ACQUISITION OF PART OF KLAMATH TRIBAL FOREST

The LEGISLATIVE CLERK. A bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, the bill was reported unanimously by the Committee on Post Office and Civil Service. After it was reported, I sent to the desk and had printed a number of amendments. These amendments were discussed with Senator WILLIAMS. He knows full well what they do.

We are asked why we did not get an estimate of cost. From whom shall we get an estimate? The Civil Service Commission cannot give it to us, because the bill affects only legislative personnel. The Commission has no information upon which to make an estimate. They have told us so repeatedly. In my opinion the retirement system as it affects the employees of Congress is in a far better condition, so far as solvency is concerned, than the other retirement system, for a number of reasons. At the proper time this will be explained fully.

Another consideration is that congressional personnel, including the Members of the Senate and House and the attachés, do not have any career status. If a Member of Congress loses his seat, his employees lose their positions. If the administration is changed from Democratic to Republican or from Republican to Democratic, one group or another must give up their positions.

Mr. JOHNSON of Texas. If the Senator from South Carolina is willing, I should like to have my motion acted upon.

Mr. JOHNSTON of South Carolina. I am willing to have the bill go back to the committee. I think the amendments I have lying at the desk should be included in the bill. They will clarify the bill. I think every Senator who is a member of the committee will agree that something should be done to correct the present situation. As to just how that should be accomplished, there may be some disagreement.

Mr. JOHNSON of Texas. I ask that the opinion of the Senator from Oklahoma [Mr. MONRONEY] be obtained, that the opinion of the Senator from Kansas [Mr. CARLSON] be obtained, and that the opinion of the Senator from Delaware [Mr. WILLIAMS], who devotes a great deal of work to legislation of this kind, be obtained.

I had stated to the Senators concerned that I preferred that the bill should not be taken up unless and until those Senators had reached agreement. When I came to the Chamber, the Senator from Kansas made it very clear to me that no agreement had been reached. I think it the better part of wisdom to have the Senate proceed to the consideration of another bill. I will attempt to work out with the chairman and the ranking minority member of the committee a plan to insure such consideration as the bill may require.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

Mr. WILLIAMS. Mr. President, if the Senator from Texas is now so desirous and willing to have the bill returned to the committee, and I understand the chairman of the Committee on Post Office and Civil Service does also, because they recognize that there are inequities in the bill, why not send it back to the committee? Why not bring up the bill and recognize that it is an imperfect piece of proposed legislation? Then the Senate can vote to send the bill back to the committee, where it belongs.

For the information of the rest of the Senate, I will point out some of the inequities in this bill. For instance, it has always been a principle of retirement, whether it be Government retirement or retirement in private business, that when a person retires he loses a part of his earning power.

The Senator from South Carolina, the chairman of the committee, said that I had approved his amendments to this bill as correcting the inequities. That is not true.

If this bill were passed, some Members of the Senate and House of Representatives could retire and draw retirement benefits substantially higher than their present congressional salary. If that is what we are going to do, that is an entirely new principle. I should like to hear the Senator from South Carolina defend that principle.

There are employees working on Capitol Hill today who, if the bill were passed——

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. WILLIAMS. I will yield the floor when I have finished. The Senator had the floor in his own right a moment ago. I ask that he wait until I have finished explaining some of these embarrassing points.

There are employees working on Capitol Hill today who, if the bill shall be passed, could retire the day after its enactment and get 25 or 30 percent more than their present salary. Since when should that formula of retirement be established?

For several weeks, we have heard great expressions of pity from the other side of the aisle for the poor workingmen and widows who are handicapped by the high cost of living. The Senate debated for months the wisdom of reducing the age limit for widows under the Social Security from 65 to 62. Finally, after much deliberation, the age limit was reduced to 62.

But what is proposed under the retirement bill before us is to enable Members of Congress and our employees having as little as 20 years of service, 5 of which were on Capitol Hill and 15 years anywhere else in the Government service, to retire at full retirement at the age of 50. That is a great departure from any system which has been provided heretofore.

The chairman of the committee says that they cannot get an estimate of cost from the Civil Service Commission. Certainly, no estimate can be obtained if you do not ask for it. An estimate cannot be obtained if it is not requested. The fact is the committee never requested an estimate from the Civil Service Commission; and no hearings were held on the bill.

The committee wrote the kind of bill it wanted, but they apparently did not care about the cost of the bill.

I had no trouble obtaining from the Civil Service Commission an estimate of the cost of the bill if enacted. I asked Mr. Ellsworth, the Chairman of the Civil Service Commission, what the provisions of the bill would cost if the benefits which are proposed to be received by the Members of Congress and the legislative employees were extended to all

civil-service employees and on the assumption of increasing for all the employee contribution rate to 7½ percent.

Under the bill the contributions made by all the legislative employees and by the Members of Congress are changed to the 7½ percent rate. If this same formula of benefits were to be extended to all civil service employees on the same basis as this bill proposes for Members of Congress and congressional employees the cost to the Federal Government would be—according to the estimate which has been made by the Chairman of the Civil Service Commission—$830 million a year over and above the cost of the present civil service retirement system.

So, Mr. President, that is what the Senate is asked to vote on. The chairman of the committee knows that that is what the Senate is to be asked to vote on, and with this prospective cost exposed he dares not bring the bill up for a vote.

Frankly, I believe they are ashamed of the bill. Certainly they should be ashamed of it.

I should like to see the bill voted on, for I am confident that when it is brought to a vote, the Senate will return the bill to the committee.

Mr. President, I do not believe that any Member of the Senate has the nerve to vote for a bill which has the purpose of requiring his constituents to pay him more money if they vote to retire him from Congress by defeating him in an election, than he would receive if he continued to serve in the Congress. That is ridiculous. Yet under this bill, as reported by the Committee, several Members of Congress would receive retirement pay from the Government in excess of their present salary.

It is said that there is one little "safety catch" in the bill; namely, that one would have to be involuntarily separated from the service. Well, Mr. President, whoever heard of a Member of Congress who was otherwise separated from congressional service? [Laughter.]

Mr. President, this bill should properly be labeled as a congressional gravy train; and the intent was to ram the bill through the Senate with little or no explanation. But now that the facts have been exposed, those who favor the bill do not have the guts to ask the Senate to vote on it.

They wish to withdraw quietly from the scene.

Mr. JOHNSON of Texas. Mr. President, the Senator from Delaware knows better than anyone else does that no one has attempted to ram the bill through the Senate. Notice regarding the bill was given several days ago. Consideration of the bill was deferred until the Senator from Kansas [Mr. CARLSON] could come to the floor.

I had understood that the Senator from Kansas was willing to have the bill taken up.

I, myself, know little about either the merits or the demerits of the bill. I have not gone over the details of the report. I have not discussed it with anyone except the Senator from Delaware [Mr. WILLIAMS] and the Senator from Kansas [Mr. CARLSON], aside from a very brief statement which I made to the chairman of the committee.

I know of no opposition to the proposal to have the Senate vote on the bill.

However, in view of the objection which has been made and in the view of the request of the chairman of the committee, I have withdrawn the request for consideration of the bill.

I hope the bill will be considered. I hope any defects in the bill will be pointed out by the Senator from Delaware to the committee. If the Senator from Delaware had pointed them out to me, I would have called attention to them. I asked the Senator whether he wished to have a yea-and-nay vote taken on the resolution, but he said he did not know whether he would wish to have a yea-and-nay vote taken on it.

I said to several Members on this side of the aisle that I had served long enough with the Senator from Delaware to believe that he would oppose the bill; and that when the bill was taken up, there would be yea-and-nay votes; and I said that if consideration of the bill would disturb the schedule of the Senate and would require the Senate session to continue late into the evening, I did not think that course of action should be followed.

I also stated that unless the bill could be made acceptable to the Senator from Delaware and the Senator from Kansas, I doubted the wisdom of having the Senate consider the bill. I doubted it then, and I doubt it now.

I believe further consideration of the bill should be postponed until tomorrow. The Senate will take up on tomorrow, I hope, only what we believe to be minor bills.

Mr. WILLIAMS. Mr. President, I appreciate the concern of the Senator from Texas for orderly procedure. I am perfectly willing to agree that the Senate vote on the motion to recommit, under an agreement that debate on each side be limited to 15 minutes. If that is done, it will be possible for the Senate to vote on the motion by 5:30 p. m.. So far as I am concerned, I shall be perfectly willing to agree to such limitation on debate.

Mr. JOHNSON of Texas. Mr. President, I would remind the Senator that the motion now before the Senate is on the question of having the Senate proceed to the consideration of Calendar No. 1543, Senate bill 3051.

Mr. WILLIAMS. But before some of us found out what was provided by House bill 4640, a motion was made to have the Senate proceed to the consideration of that bill, the so-called retirement bill. Why the sudden change?

Mr. JOHNSON of Texas. I attempted to ascertain the position of the Senator from Delaware on the bill. I did so as courteously as I could, and I did so on 2 or 3 occasions.

I was not in the Chamber when this situation developed. At that time I was out of the Chamber, presiding over a committee.

If the Senator from Delaware had told me earlier what he has just stated, I would have opposed the motion to have the Senate proceed to the consideration of the bill.

Now I am attempting to get the ranking minority member of the committee and the chairman of the committee together, in the hope that the bill can go back to the committee.

I assure the Senator from Delaware that the bill will not be taken up without ample advance notice to him and to all other Members of the Senate. I should think that would satisfy everyone.

Mr. JOHNSTON of South Carolina. Mr. President, I move that House bill 4640 be recommitted to the Committee on Post Office and Civil Service, for further study.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from South Carolina will not make that motion now.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Chair is advised that the Senator who moved that the Senate proceed to the consideration of House bill 4640 has withdrawn his motion.

At this time the question is on agreeing to the motion that the Senate proceed to the consideration of Calendar 1543, Senate bill 3051. That motion is debatable.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Would a motion to recommit House bill 4640 to the Committee on Post Office and Civil Service to be order at this time?

The PRESIDING OFFICER. No, inasmuch as the pending question relates to another bill.

Mr. WILLIAMS. Mr. President, I do not wish to delay the Senate. However, I overlooked placing in the RECORD certain computations which I asked the Civil Service Commission to make, showing how the bill would compare with existing law.

The computation made by the Commission shows how the present benefits compare with those which would be available if House bill 4640 were enacted into law.

The first example is for employees who would be separated from the service at age 50, after 25 years of service—at least 5 of which would be congressional employment—at an estimated average salary of $10,000. Of course, if the average salary were $5,000, the figures in the computation would be one-half of the ones arrived at on the basis of an average salary of $10,000.

In the case of such an employee with an average salary of $10,000, the computation shows that under existing law he would be able to retire at age 62 with an annual annuity of $4,875, whereas if House bill 4640 were enacted into law, such an employee could retire immediately at age 50 and could draw $6,250 annually.

By the time such an employee reached age 62, he would have drawn $75,000 in cash from the retirement fund, and even then he could, for the rest of his life, from age 62 on still receive $6,250 annually, as compared with $4,875 annually under existing law.

In the second case, the computation shows that the employee would receive, under existing law, $5,125 annually, again payable when he reached age 62. If we assume that today he is age 50, and that he has served for 25 years, with a minimum of 5 years of legislative service, this employee likewise would, under the provisions of the bill, receive $6,250 a year immediately; and after he retired, he could enter employment in private industry. But he would immediately upon retirement draw $6,250 a year, and would continue to draw it for the rest of his life.

Those examples show what would occur under the proposed congressional gravy train.

Knowing that some of these glaring examples of benefits were about to be exposed to the Senate perhaps accounts for the sudden lack of enthusiasm on the part of the sponsors of the bill to press the legislation at this time.

Mr. CURTIS. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. CURTIS. I may call to the attention of the Senator from Delaware several cases which show how the measure relates to the Members of Congress.

These figures were computed by a Government actuary who, in my opinion, is without equal.

Let us consider a Member of Congress of age 60, with 5 years of Member service and 5 years of service in the executive branch: Under present law, he is eligible to receive an annuity of $4 500 a year, at age 62, whereas, under the provisions of the bill which has been discussed during the last few minutes, he would become eligible for an annuity of $5,625 immediately. The actuarial value of the more liberal annuity provision would be $25,800.

That is computed, according to the 1949 table, the one that is generally used by insurance companies for annuity purposes, at 3 percent interest. That $25,800 increase in actuarial value is given to Members without any increase in contribution.

Another case, a Member of Congress, age 55, who has 15 years of Member service, and 15 years of service in the executive branch: Under present law, he is eligible for an immediate annuity of $13,627, whereas, under the bill, he would be eligible for an annuity of $16,875. The actuarial value of this increased benefit is $50,200.

I am sure there are features in this bill that were not known to anyone and that have not been developed by the exhaustive testimony of actuarial authorities.

Mr. WILLIAMS. I thank the Senator from Nebraska. His statement further supports the position I have taken, that this bill is nothing more than a so-called gravy-train. No hearings were held. No effort was made on the part of any member of the committee to get actuarial costs.

While many things happened with respect to this bill that nobody knew anything about, I have yet to find that it takes anything away from anybody. All the mistakes are against the taxpayers. I will say there is plenty in it for anybody who is mentioned in the bill.

Case No. 3 was that of a man who, with 25 years' service, age 50, same salary, would under existing law be eligible, at age 62, for benefits of $5,125. If the pending bill shall be passed, without waiting until he is 62, if he quits Government service, he goes immediately on the retirement rolls and gets $6,250.

Likewise, the fourth man would be entitled to benefits of $5,375 at the age of 62 but under the committee proposal he could retire at age 50 with a pension of $6,250.

It is stated often that we do not know whether we can afford to increase benefits under the Railroad Retirement Act or under Social Security, but when it comes to Members of Congress or employees on Capital Hill this bill pulls out all stops.

How about extending this to everybody who works for the United States Government? What will the taxpayers say about an additional $830 million extra annual cost?

The Chairman of the Civil Service Commission was not asked by the committee for any testimony on this bill. He did not refuse to furnish them an estimate of cost; he was not asked for any testimony. If he was, I wish the chairman would tell me, because I was told no such request was made.

We are told that if this bill is passed and its benefits are extended to all employees in the United States Government, and at the same time their contributions are raised to 7½ percent, it will cost the American taxpayers $830 million a year over and above what the system now costs.

I say again, it is a gravy-train. If this bill is motioned up at a later date, I serve notice that I intend to make a motion to refer it back to committee.

The extreme liberality of this bill cannot be justified.

Mr. JOHNSON of Texas. Mr. President, I rise to observe, for the benefit of my friend from Delaware, first, if he had made any such statement to me on any of the three occasions when I talked to him, we would not have moved to take the bill up.

Second, I have stood on the floor of the Senate several times and asked that measures be thoroughly considered before they are voted on—not only bills, but amendments. I have no desire to change that policy at this late date.

I was informed by the Senator from Kansas that this bill needed further hearings, and he did not think it should be considered. I immediately made my statement to the Senate. If I had been informed of his desire by the Senator from Delaware, I would have followed the course of conduct I have outlined.

I hope to have a meeting with the chairman and ranking minority member and evolve a procedure that will be satisfactory to every Member of the Senate in connection with this proposed legislation.

Mr. LAUSCHE. Mr. President, I shall support the motion of the majority leader. However, after discussions are had with the ranking minority member, if there is any question about the great lengths to which this bill goes, I shall subsequently support a motion to recommit it to the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas, that the Senate proceed to the consideration of Senate bill 3051.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ATHLETES NAMED TO MINNESOTA SPORTS HALL OF FAME

Mr. THYE. Mr. President, in today's Washington Evening Star appeared a small news item under the heading "Minnesota Puts 17 in Hall of Fame." It is an Associated Press story, and the first sentence reads:

Seventeen Minnesota athletic greats were named last night to a newly created Minnesota Sports Hall of Fame.

Many of the athletes are personal friends of mine. They were great athletes. Many more could be mentioned as athletes who at one time resided in or were born in Minnesota and then moved to other States.

It was a great pleasure for me to note, and to join in paying tribute to them, the names of some of the persons who have been recognized, because they are still living, and it is a great tribute to them:

Bernie Bierman, football coach; Tommy Gibbons, boxer; Frank "Moose" Goheen, hockey player; Bronko Nagurski, who is still living and is a personal friend of mine; Johnny McGovern, great football player.

I could mention the names of all the great athletes who were honored, but I ask unanimous consent that the small news article be printed in the body of the RECORD along with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of May 6, 1958]

MINNESOTA PUTS 17 IN HALL OF FAME

MINNEAPOLIS, May 6.—Seventeen Minnesota athletic greats were named last night to a newly created Minnesota Sports Hall of Fame.

Ten were present to receive the honor in person at a sports champions dinner honoring 1,958 State sports notables as part of Minnesota's centennial year celebration.

Golfer Patty Berg, only woman selected, was unable to attend. Six on the list are dead.

In addition to Miss Berg, the living members are:

Bernie Bierman, football coach; Tommy Gibbons, boxer; Frank "Moose" Goheen, hockey player; Bronko Nagurski and Johnny McGovern, football players; George Mikan, basketball player; Fortune Gordien, discus thrower; Jimmy Johnston, former national amateur golf champion; Tommy Milton, auto racer; and Walter Hoover, onetime sculling champion.

Deceased members are Chief Bender, baseball pitcher, who was born on a Minnesota Indian reservation; Pudge Heffelfinger, Minnesota-born football player; Bob Dunbar, curler; Mike Gibbons and Mike O'Dowd, boxers; and Dr. Henry L. Williams, former Minnesota football coach.

INCREASED EQUIPMENT MAINTENANCE ALLOWANCE FOR RURAL CARRIERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3050) to increase the equipment maintenance allowance for rural carriers, and for other purposes, which was, on, page 1, line 8, strike out "11" and insert "10."

Mr. JOHNSTON of South Carolina. Mr. President, the amendment of the House of Representatives to Senate bill 3050 is minor in character, but I should like to explain it. The matter has been cleared by both sides.

As passed by the Senate, the bill would have increased the mileage allowance for rural carriers to 11 cents a mile. The House amended it to 10 cents a mile, resulting in a saving of approximately $5,300,000.

I have talked with members of the committee. The matter has been cleared for action on the Senate floor.

Mr. President, I ask unanimous consent that a statement explaining the bill as amended be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

On March 31, 1958, the Senate passed S. 3050, to increase the equipment maintenance allowance for rural carriers. As passed in the Senate, the bill would have increased their mileage allowance from 9 cents to 11 cents and fixed, for the first time, a minimum daily allowance.

Yesterday, the bill was passed in the House with one amendment. The amendment reduced the mileage allowance from 11 cents to 10 cents. The chairman of the House committee introduced a letter from Ray L. Hulick, president of the National Rural Letter Carriers Association, dated May 1, 1958, indicating this reduction meets with the full approval of his association. Also introduced was a letter from the Postmaster General indicating approval of the action.

In view of this, I think the Senate has no alternative but to recede from its position and accept the bill as passed by the House. The bill as passed in the Senate would have cost $11,200,000 as against the House bill which will cost $5,900,000 annually.

As can be seen, this action on the part of the House reduces payments that will go to rural carriers by some $5,300,000 a year.

I wish to commend Senators YARBOROUGH and PROXMIRE, who sponsored S. 3050, for their perseverance in behalf of this greatly needed legislation. I regret, and I am sure they do, too, that the bill was not approved in its original form, as I believe the more liberal allowance contained in the Senate bill was completely justified. However, under the circumstances, we have no further choice in the matter at this time.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I may say that some of the members of the committee felt that the Senate was right, but, under the circumstances, we thought it best to accept the amendment of the House.

Mr. YARBOROUGH. Mr. President, in passing today S. 3050, a bill to increase the equipment maintenance allowance paid rural letter carriers, the Senate has acted to correct a financial injustice which has been suffered by this group of postal employees.

It was my pleasure to sponsor this merited legislation, together with my colleague, the Senator from Wisconsin [Mr. PROXMIRE]. The subcommittee, headed by the Senator from Idaho [Mr. CHURCH], and the full Committee on Post Office and Civil Service, under the able leadership of the Senator from South Carolina [Mr. JOHNSTON], deserve words of praise for expediting consideration of this legislation.

The National Rural Letter Carriers' Association, representing the Nation's rural carriers, also deserve credit for their untiring efforts in presenting factual data which substantiated the urgent need for enactment.

S. 3050, as passed, is not as liberal in its provisions as the original bill. It does, however, represent a compromise which we did work out in order not further to delay action. The compromise accepted today should assure this proposal becoming a law in the very near future.

STUDY OF SPACE AND ASTRONAUTICS

Mr. ANDERSON. Mr. President, under the leadership of the distinguished majority leader, Senator LYNDON JOHNSON, of Texas, there has been a meeting of the Senate Special Committee on Space and Astronautics, of which he is the chairman, to hear Dr. James Doolittle, who is vice president of the Shell Oil Co. and chairman of the National Advisory Committee on Aeronautics, in conjunction with Senate bill 3609.

This marks the beginning, as far as the Senate is concerned, of hearings which can be of enormous importance to the United States. Without attempting to go into details, I can surely say that some of us who have been serving on the Joint Committee on Atomic Energy are extremely interested in the hearings and the conclusions which the Congress and the country will finally reach. We have been attracted to the possibilities of space flight and to the possibility that manned vehicles can travel between the Earth and the Moon, Mars, and Venus, and the possibilities of interplanetary and interstellar travel are extremely attractive. We have had much testimony to the effect that a manned flight back and forth between the Earth and Mars, for example, can only be possible through the medium of nuclear propulsion, and we, therefore, have an extremely alert interest in who shall direct the research looking toward that eventuality.

As I shall probably say many times during the hearings, it is strange that the bill recommended by the President makes no mention whatever of nuclear propulsion. That fact alone will cause a great many people to stop and wonder whether we will orient our course toward ultimate success or certain failure. Once the hearings start, I hope to give undivided attention to that question. Therefore, I thought it might be well, on the opening of the hearings, to say a few words about previous problems, and specifically the problems of the bill which came from the Bureau of the Budget, in order that some of the points I raise may be in the minds of the members of the committee as they examine the testimony of Dr. Doolittle and those who will follow him on the witness stand.

On October 4, 1957, our illusion of scientific superiority was shattered, and the advent of the space age found us without policy or program. As a nation, we did much soul searching, and found that our own space exploration programs had been treated lightly at the highest levels, while the Soviets had been engaged in longtime planning and programing.

As early as 1955, the Soviet Union had established a Commission on Astronautics with specific responsibilities and power to direct scientific laboratories and research centers to work on outer space development. They had a program. They seemed to know where they were going. Now, almost 4 years after the founding of the Soviet Space Agency, the President has forwarded a message and a legislative proposal for the beginning of an astronautical program in the United States.

The proposal calls for the creation of a new outer space agency built around the present National Advisory Committee for Aeronautics. The Congress has responded promptly, and is now holding hearings. Of course, much more could have been done in these 8 months and earlier, under existing law, but this is now somewhat irrelevant.

In approaching outer-space legislation, we must first examine the reasons why and explain to ourselves and the public the need for appropriating funds for the development of satellites, space vehicles, and the later exploration of outer space. To date many reasons have been proffered, but I have seen few concise explanations.

The reason why is a dynamic composite of many things, all of which surround our destiny as a leader among nations.

The primary reason why we must have an astronautical program is to explore the vast unknowns of the universe and harvest its scientific information. The material value of such knowledge is dif-

6. VIRGIN ISLANDS. The Interior and Insular Affairs Committee ordered reported H. R. 12226, to extend the charter of the Virgin Islands Corporation to June 30, 1969. p. D394

7. FORESTRY. The Interior and Insular Affairs Committee ordered reported H. R. 6198, to transfer approximately 6,000 acres of land from the Sequoia National Park to the Sequoia National Forest, Calif. p. D394

8. WHEAT QUOTAS. Rep. Bow urged all eligible farmers to vote in the wheat quota referendum to be held June 20, stating that "in my own district we have a growing spirit of rebellion against the wheat law," and that "last year 22.6 percent of the farmers eligible to vote placed marketing quotas in effect on all wheat farmers." He also inserted a newspaper editorial urging wheat farmers to vote in the referendum. p. 7401

9. ECONOMIC SITUATION. Rep. Reuss urged a program to raise incomes and lower prices, including direct production payments to family-sized farms, and inserted a newspaper article discussing the current income and price situation. pp. 7392-94

10. BEANS. Rep. Bentley discussed increased production and consumption of beans. p. 7390

11. RECIPROCAL TRADE. Rep. Baily urged greater congressional control over reciprocal trade agreements, and urged "legislation that would restore congressional control at the very minimum to the point of controlling the escape clause remedy." pp. 7399-7400

12. POSTAL RATES. The "Daily Digest" states that conferees continued to resolve differences on the postal rate and pay increase bill, and "announced that agreement had been reached on a preferential rate of 2 cents for handwritten Government post cards." p. D396

SENATE

FORESTRY. Passed as reported S. 3051, to provide alternatives of either private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the Termination Act. pp. 7352-63

Sen. Neuberger inserted an article urging passage of the Klamath bill. p. 7335

Sen. Wiley inserted a letter from the Menominee Coordinating and Negotiating Committee urging full Federal reimbursement for the sums spent by the Menominees in preparing for the Termination Act to become effective and opposing any change in the Termination Act. pp. 7334-5

Sen. Javits inserted resolutions of two N. Y. County Boards urging that the last day of April be fixed as National Arbor Day. p. 7326

14. FOREIGN AID. Sen. Wiley submitted an amendment to S. 3318, to extend the Mutual Security Act, which would make certain authorizations permanent, including technical aid, with the Organization of American States, refugee relief, the U. N. children's fund, ocean freight relief shipment charges, and Battle Act expenses. p. 7331

Sen. Mansfield submitted an amendment to this bill, to transfer the functions of the International Cooperation Administration to the Department of State. pp. 7331-2

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House Rules Committee cleared bill to transfer certain functions under Packers and Stockyards Act to FTC. House passed bill to fix price support on extra long-staple cotton at 60 to 75 percent of parity. House committee reported bill to extend mutual security program. Rep. Bow urged rejection of quotas in wheat referendum.

HOUSE

1. PACKERS AND STOCKYARDS. The Rules Committee reported a resolution for consideration of H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission. p. 7402

2. COTTON. Passed without amendment H. R. 11399, to authorize the Secretary to set the level of price support for extra long-staple cotton at between 60 to 75 percent of parity. p. 7389

3. MUTUAL SECURITY. The Foreign Affairs Committee reported without amendment H. R. 12181, to extend the mutual security program (H. Rept. 1696). p. 7402

4. WEATHER MODIFICATION. The Interstate and Foreign Commerce Committee reported with amendment S. 86, to provide for a research program in the field of weather modification to be conducted by the National Science Foundation (H. Rept. 1695). p. 7402

5. EXPORT-IMPORT BANK. The Rules Committee reported a resolution for consideration of H. R. 10459, to increase the lending authority of the Export-Import Bank of Washington. p. 7402

the Republican National Committee in honor of Republican Members of Congress, as published in today's New York Times.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT DELIVERED AT A DINNER GIVEN BY THE REPUBLICAN NATIONAL COMMITTEE IN HONOR OF THE REPUBLICAN MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, HELD AT THE WILLARD HOTEL, WASHINGTON, D. C., MAY 6, 1958

Chairman Alcorn, fellow Republicans, fellow Americans who are tuned in with us here tonight, first, my cordial greetings to the distinguished Republican Members of Congress who are here tonight.

For all that you are doing, together with our Republican administration, to help build a just peace and to keep America and the rest of the free world strong and secure—also, for your efforts to preserve our citizens' freedom and initiative by helping to hold our Government to its proper role—you have my congratulations and my most deep appreciation.

To every American, regardless of party, I want to speak frankly of these efforts tonight.

Our two major political parties differ, of course, on many domestic policies. But beyond these are programs of grave importance to our country and to the peace of the world. They demand our attention as Americans, without regard to partisanship.

One reason I talk of such programs on this occasion is because they are on the very edge of action in the Congress. As Americans, as Republicans, as Members of Congress, we must shortly reach decisions of far-reaching significance to ourselves and to our children.

First, a bit of background.

We must, every one of us, never forget that we have entered an era that is for our country entirely new. Inescapably we live in a time of great uneasiness, in a situation of balanced terror in the world.

Looming across the seas is the menace of Communist imperialism. It rejects every human value of significance in our civilization. It is tyrannical, insensitive to the needs of its own people, contemptuous of religious faith and human dignity and worth, and obsessed with the goal of dominating the world.

Preoccupied as we are with our daily pursuits, too easily we lose our awareness of this evil force. We know that, throughout all history, marauders have been at large in the world. But today modern science and technology have placed instruments of almost unlimited power at the disposal of an ideology implacably hostile to all who live in freedom.

In just over a decade the science of destruction has become transformed. Nuclear explosives, ocean-spanning missiles, aircraft of great range and speed, submarines launching nuclear-tipped weapons of tremendous range—such developments have vastly increased man's ability to destroy and to kill.

That, my friends, is the pivotal fact of our time. We simply cannot indulge in business-as-usual attitudes and self-serving practices of an era that is no more. Our national survival and human liberty are at stake in the way we form and sustain our national policies.

Of the many imperative needs these grave considerations impose, tonight I ask you to join me in considering three:

First is defense modernization, the plan which I sent to Congress a few weeks ago.

Here, in the missile-nuclear age, we ask ourselves:

Is it unity we shall have—unity in strategic planning—unity in military command—unity in our fighting forces? Shall we have the most efficient, least costly defensive system we can devise to counter the deadly menace to our country?

Or—are we willing to settle for less? Shall we cater to service prejudices at the expense of efficiency? Shall we divide rather than unify our military power? Shall we tolerate confusion, rivalries, and inefficiences in our Defense Department? Shall we tie the hands of our highest defense officials with restrictions adjusted to a military period that no longer exists?

Our choice is clear.

We must stand on the side of unity, efficiency, and flexibility—and this we must do in the interest of America's safety and solvency. And I believe that on this issue most Americans, regardless of party, stand with our plan.

Now let's look at the essentials of this proposed reorganization.

First, it unifies America's military planning.

Second, it makes sure that military orders move with the least possible delay.

Third, it integrates and therefore multiplies our battle power, no matter which services are involved.

Fourth, it gives our military leaders the professional assistance needed for unified planning and unified direction of our battle forces.

Fifth, defense research and development—amounting to more than $5 billion a year in the Defense Department—is put under one responsible official empowered to stop unnecessary duplication and to cut out service rivalries.

Sixth, defense dollars are, in modest degree, made more flexibly available so emergencies and new technological developments can be handled at once, with maximum efficiency.

Seventh, confusion and needless restraints in present law are cleared away in the interest of efficiency, economy, and clear-cut civilian control over our Armed Forces.

Eighth—and this is one for which I particularly stand—the separate publicity activities of the various military services are put under central direction to discourage their abuse.

From these changes we can expect very specific results: A stronger, more efficient defense—a less costly, more tightly directed defense—and every spring, come appropriation time, a more rational, less noisy defense.

These results I believe our citizens, regardless of party, are determined to achieve. I am going to keep on doing my best to get those results.

Now, as to the second imperative need, the simple fact is this: Just as a military service can no longer win major battles by itself, no nation, not even the United States, can isolate itself from its friends and be secure.

In that statement is the whole case for mutual security.

I, of course, know about the wide misunderstandings and the many misrepresentations concerning this program. But the truth is that military and economic assistance is just as much a part of our own security efforts as our outlay for our own military defenses.

Let's remind ourselves of a few facts.

In the first place, under this program we have military alliances with 42 nations. We have bilateral treaties with Korea, Free China, Japan and the Philippines. We have multilateral agreements through NATO, SEATO, and the Rio Treaty, and ANZUS. No sensible American would want any of those arrangements weakened or breached.

Thus, through mutual security, we have forged a free world shield against Communist force. Our partners abroad have, in 7 years, put up $120 billion for their own and the common defense. To supplement that effort we have put up for them $20 billion.

This $140 billion means strength—and lots of it. It means airbases, naval bases, military installations of our own and our allies. It means soldiers, and ships, and planes. In no other way can we Americans generate from each of our security dollars as much defense for ourselves and for those who are joined with us against Communist imperialism.

Now in recognition of the soundness of the free world's military defenses, the Soviets have lately turned more and more from military to economic assaults on free world positions. So, while the need for military assistance remains—yet for all of us—the economic side of mutual security becomes day by day more essential to the common defense. That includes the security and freedom of every person listening tonight.

Since 1953 the Communists have signed almost 100 trade agreements with the less developed nations. They have loaned those nations some $2 billion, at interest rates enticingly favorable.

Now these developments are very significant.

Throughout the Asian and African continents, vast reserves of human energy and natural resources are opening up in a way that has not happened for centuries. Knowing this—knowing also the Soviet maneuvers I just mentioned—we must make a fateful decision.

Either we idly stand by and watch this tremendous force funneled into violence, dissolution of orderly government and Communist exploitation; or—we help channel it into better education and improved living standards, and thereby strengthen peace and freedom everywhere in the world.

So far as I am concerned—and here again I believe I speak for the great majority of Americans—we have no alternative but to give that help. America's goal is peace and human liberty, not just a precarious truce based on force.

Twenty cents a day is the average income in most of the regions I have just mentioned. There the trained Communist agent is always at work. I propose that we not strengthen his hand by holding back our own.

And parentheticaliy, I remind everyone that 80 cents out of every dollar that we spend for mutual aid does not go to foreign lands. It goes to work right here at home. That means hundreds of thousands of jobs for American workers. It means large outlets for American machinery, and iron and steel, farm goods, chemicals and motor vehicles.

And, to each of us, the cost of all this military and economic assistance is about one airmail stamp a day.

These programs augment our own security. They help in the economic development of the free world, so that each country may have a better economic base to help carry its own military costs. Finally, they give to all these countries hope, they give them a sense of achievement, and a rising living standard that makes of them our sturdy partners in the defense of freedom.

Now, stating these same results, in a converse way, and in the form of a question:

What would it mean to us, aside from the loss of thousands of jobs, if this program were stopped or sharply reduced?

Here is what it would mean:

A disintegration of free world positions of strength;

A loss of bases and consequent weakening of America's strategic air power, therefore a weakening of the major deterrent to war;

A surge forward of Communist influence throughout the world;

A forcing back of the American defense perimeter ultimately to our shores;

Finally, our defenses compromised, our military requirements tremendously in-

creased, our country drifting into a garrison state—which could, if long continued, mean the loss of American liberty without the firing of a shot.

These, then, are some of the reasons why I feel so strongly about this invaluable program. So I ask you, and I ask every American, in his own best interest and for his country, to give America's mutual security his own all-out support.

Our third imperative need concerns world trade.

May I remind you of Mr. Khrushchev's recent remark. "We declare war upon you," he said, "in the peaceful field of trade."

Now I remind you of something else. America is the greatest producer in the world. We are also the world's greatest market. Unavoidably, the leadership in world trade lies with us.

Last year free world exports amounted to about $100 billion. America's exports were $20 billion. This is more than all the consumer purchases of new automobiles, parts, and accessories in our country. It is more than all the furniture and household equipment bought by everyone in America. Farmers know something about world trade too. The products of 1 acre out of every 5 go overseas. Labor also understands this. World trade gives jobs to at least 4½ million Americans.

Now the other part of this question is imports. Last year imports were $13 billion. Ten billion dollars of this amount brought us foodstuffs, partially processed manufactures, and most of our tin, mica, and asbestos, as well as platinum, nickel, and newsprint. It helped to meet part of our needs for iron ore, petroleum, copper, raw wool, bauxite, and burlap. These raw materials keep our factory wheels turning. They keep our assembly lines moving. America cannot prosper without them.

Of course, we must be concerned about imports of certain kinds of manufactured goods. Last year we imported a total of $3½ billion worth of these goods. But we exported $10½ billion worth.

Now, certainly we must protect manufacturing industries from being crippled by imports. But those who for that purpose would resort to rigid quota systems or excessive tariffs had better give serious thought to our 3 to 1 interest in exporting these very same goods.

And we must remember this: America has no monopoly on trade problems. Our friends have problems too. Nor do we have a monopoly on the double-edged game of trade restrictions.

And so in trade too our choice is clear: We will have reciprocity, or we will have retaliation. And I wholeheartedly choose the former. In passing, may I remind you that 50 years ago reciprocity was eloquently supported by a great Republican President—William McKinley.

Now, how does all this relate to the Soviet menace?

This way: If in their new economic offensive the Soviets, by using trade and aid, can bring free nations one by one into their orbit, they will as surely have paved the way for Communist control of the world as if they had conquered those nations by force.

And if friendly nations are denied the chance to trade with the free world, they will be driven to trade with the Communist world. To live they must trade. It's as simple as that.

So we are back to the same imperative need I advanced in regard to defense reorganization and mutual security. I have, therefore, asked the Congress to carry forward our reciprocal trade program for an additional 5 years. Here again I ask all Americans, regardless of party—I would like to make a personal request of each individual in this room—to give their needed support.

Now, fellow Americans and fellow Republicans, these programs we have discussed tonight challenge us to place the Nation's imperative needs above partisan goals. Of course, we salute those members of the opposite party who have supported these programs with a zeal equal to that of many ardent Republican supporters in this audience tonight.

But now, speaking for our own party, I hold that the more nearly unanimous our Republican support for these programs, the stronger will be our country, the more effective the Republican Party in its leadership, and the greater our pride in our party's service.

We Republicans can also feel a similar pride in our handling of the many other public issues that in recent months and years have been directly touching our citizens' lives here at home.

I am convinced that by now the American people know that republicanism is simply another way of saying "responsible government"—that it means constitutional government—that it means honest, dependable government.

Americans know also that Republicanism means responsive government. Responsive government is one which will use and has used available resources as needed to counteract economic troubles, while taking care that, not some Federal bureaucracy, but rather private initiative and vigor, will be preserved as the mainspring of America's free economy.

Events of only the past 6 months are proof enough of this.

We have seen it in housing, where to accelerate construction we have, entirely aside from Federal Reserve Board activities, provided easier terms and increased funds for credit. We have also expanded the purchase, insurance and guarantee of mortgages, and stepped-up activities in urban renewal and college and public housing.

We have seen that proof also in public construction.

We have seen it in accelerated governmental procurement.

We have also seen it in our proposal to extend the unemployment insurance benefits of all workers who use up their regular benefits.

This sampling of actions evidences not only our party's positive response to economic needs; it also demonstrates responsibility, proportion and adherence to principle—the hallmarks of Republicanism during all its years.

And now, my friends, let us not too easily forget that for the past 5 years there has been no war—that in early 1953 we removed stifling controls from our Nation's economy—that we initiated the greatest tax cut in history—that we have increased social security coverage—that we have managed the Nation's finances conservatively, to guard the value of the consumer's dollar—that we have reduced the number of Government employees by some two hundred thousand—and that we have set in motion a truly historic venture, returning to the States of responsibilities assumed too long and too often by the Federal Government in previous years.

Such are the concrete evidences of progress in the right direction. There are many, many more examples which should enlist support not only of our own party members but also the support of Americans everywhere who value such gains for themselves and for their country.

So it is responsive, responsible Government at home—plus effective support for programs essential to America's peace and security. These, in a nutshell, are the Republican case before America.

With the able and dedicated leadership of our party's organizational machinery by my respected and close friend, Chairman Meade Alcorn—with concerted action by our Republican Members of the Congress—and with the enthusiastic effort of our party members throughout the land—and with the continuing help of independent voters and discerning Democrats—I am convinced that Republican prospects this year are indeed bright.

If we will but try—if we never forget the value of good, hard work—we are certain, with this record, to win next November. This is the sure road to a Republican 86th Congress.

For myself—you will find me standing beside you and with you. I shall do my best for every member of our Grand Old Party and for all others who with them are carrying forward the never-ending fight for peace, for security, for sound, sane, and progressive Government in America.

And thank you. Goodnight.

ACQUISITION OF PART OF KLAMATH TRIBAL FOREST

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Senate bill 3051.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the Senate resumed the consideration of the bill, which had been reported from the Committe on Interior and Insular Affairs with amendments on page 2, line 9, after the word "than", to strike out "seventy-five" and insert "one hundred"; on page 4, line 1, after the word "conditions", to strike out:

Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

And insert:

The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within 60 days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

After line 23, to strike out:

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

And insert:

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90 million, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

On page 7, line 16, after the numeral "1", to strike out "1960" and insert "1961"; on page 8, line 18, after the word "lands", to insert "pursuant to subsection (b) of this section"; on page 10, after line 2, to insert:

SEC. 6. No funds distributed pursuant to section 5 of said act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

After line 9, to insert:

SEC. 7. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 6 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954.

And, after line 20, to insert:

SEC. 8. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in lieu thereof "7 years."

So as to make the bill read:

Be it enacted, etc., That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than 100 years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided*, That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, which is hereby determined to be their fair market value if as much as 70 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within 60 days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding senence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered

in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands pursuant to subsection (b) of this section on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time limit provided in subsection 6 (b) of this act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 6. No funds distributed pursuant to section 5 of said act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 6 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in lieu thereof "7 years."

Mr. ANDERSON. Mr. President, this is an important bill, and involves a substantial sum of money. I think there should be a quorum call before the bill is considered, if the acting minority leader has no objection.

Mr. THYE. Mr. President, as acting minority leader, I was going to suggest the absence of a quorum, but the distinguished acting majority leader indicates that he intends to do so.

Mr. ANDERSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, five compelling reasons call for passage of S. 3051, which has been reported favorably by the Interior and Insular Affairs Committee and which is before the United States Senate today. They are these:

First. Unless the bill is enacted, some 3.5 billion feet of valuable pine timber will be dropped in less than 2 years on an already-sagging lumber market in the Pacific Northwest, with disastrous economic consequences.

Second. Such a bargain-basement timber sale would result in the stripping bare of one of America's greatest ponderosa pine forests, with attendant perils to watershed protection in southeastern Oregon. It also would deprive nearby national forests of nearly $50 million in timber revenues.

Third. In the absence of such legislation, a wildlife marsh used by nearly 80 percent of the waterfowl traveling the Pacific flyway would be destroyed.

Fourth. The bill is needed to assure a fair price for their property to the tribal members of the historic Klamath Nation of American Indians.

Fifth. Failure to enact this bill might be a permanent blot on our national policy affecting the Indian wards of the United States Government.

I could cite many additional reasons, but it seems to me these are sufficiently important and fundamental.

With the calling up of this bill, which I introduced on January 16, 1958, at the request of the Secretary of the Interior, we have reached the moment of a final decision on the long-debated Klamath Indian question—a question which was occupying the attention of Congress while I was still a high-school student in my native city of Portland, Oreg.

The very important piece of legislation that we are considering today is an amendment to Public Law 587 of the 83d Congress, known as the Klamath Indian Termination Act. This act was approved by the President on August 13, 1954. Last year it was amended by Public Law 85–132, which I introduced, in order to give us an additional period of time to study some of the unforeseen problems that had arisen in carrying out the original act. In my opinion, the measure now before us is of extreme urgency to the welfare of not only the Klamath Indians, the Klamath River Basin generally, and the State of Oregon, but also to the welfare of our country as a whole.

CONSERVATION VALUES AT STAKE IN BILL S. 3051

As my colleagues are well aware, I was not a Member of the Senate at the time this particular act relating to the termination of Federal responsibilities and settlement of the affairs of the Klamath Tribe was enacted. However, very shortly after my election, civic and official groups from all over the State of Oregon began urging that further consideration be given to certain questionable provisions of the original act. In fact, conservation groups throughout the entire Nation requested the administration and the Congress to make some provision for the preservation of the great natural resources which they felt certain would be jeopardized, if the original provisions of Public Law 587 were carried out as enacted.

Let me go back for just a moment to acquaint my colleagues who are not fully informed on this particular situation with the background history of the Klamath Act. As early as 1928, the more progressive Klamath Indians were anxious to get possession of their share of the tribal wealth contained in the timberlands of the Klamath Reservation in Oregon, so that they might use it for capital for individual enterprise. This was initially reflected in the report prepared by the Institute for Government Research, commonly known as the Meriam report, developed back in 1928. At that time, they said that the question involved was one of how to preserve the property as a whole as a great national timber resource, and at the same time utilize the property for the advancement of its present Indian owners. They went on to say, as early as 1928, that the "intelligent progressive Indians, especially the Klamath, are anxious to have some plan devised whereby their interest in this great tribal resource may be utilized so that they can work with their own capital in advancing themselves." In the 72d Congress, S. 3588 was introduced by the late Senator Charles L. McNary, whose seat I have the honor to occupy. It would have provided for the incorporation of the Klamath Indian Tribe and would have made provision for the transfer of the Klamath property to a corporate entity under a trust patent, which could have been converted to a fee patent in the discretion of the Congress in not less than 50 years from the date of enactment. It would have provided that any member of the tribe, being a stockholder of the cor-

poration, would have had the right to sell his shares of stock to the corporation.

KLAMATH ISSUE LONG BEFORE THE CONGRESS

In 1947, extensive hearings were held in Washington and later in Klamath Falls, Oreg., by a subcommittee of the Senate Committee on Public Lands of the 80th Congress in relation to Senate bill 1313, which had been introduced in the previous Congress by our State's distinguished Senators, Guy Cordon and WAYNE MORSE, of Oregon. Although the text of the two bills varied slightly, the titles were identical:

To remove restrictions on the property and moneys belonging to the individual enrolled members of the Klamath Indian Reservation in Oregon, to provide for liquidation of tribal property and distribution of the proceeds thereof, to confer complete citizenship upon such Indians and for other purposes.

At that time, our distinguished colleague, Senator ARTHUR V. WATKINS, was chairman of the subcommittee which held hearings in Washington and in Klamath Falls. It is my understanding that, as a result of these hearings, the subcommittee became convinced that the Klamath Indians were retrogressing under Federal trusteeship and that some form of termination of the trusteeship was necessary.

Between 1947 and 1953, there was a great deal of discussion about termination, and several more bills were introduced in the Congresses. However, nothing was done until the 83d Congress passed House Concurrent Resolution 108. This resolution stated that it was the policy of the Congress to terminate Federal supervision over Indian tribes as rapidly as circumstances would permit. In addition, House Concurrent Resolution 108 specifically named a number of tribes which the Congress felt were ready for immediate termination and directed the Department of the Interior to forward, by the following January, legislative proposals which would accomplish these terminations. The Klamath Indian Tribe of Oregon was one of the tribes so named.

By the time the Department submitted its legislative proposal for the Klamaths in January of 1954, the membership of the tribes had merged into two factions, neither with enough strength to assume distinct leadership. Nominal heads of these factions were members of the tribal council and the smaller governmental unit, the executive committee. Policy disputes became frequent, and when important policy matters came before the council, if there were disagreement, one of the groups often would walk out—leaving no quorum. This made it very difficult to obtain decisive tribal action on termination or other proposals placed before them. When hearings were held in the 83d Congress on the Department's proposal for termination, it was impossible for the committees of Congress to get any kind of clear-cut statement from the opposing factions as to what the tribe as a whole desired in a termination act. Finally, a series of conferences were held between the opposing groups—both represented by competent and able counsel—and the Bureau of Indian Affairs and the Senators and Congressmen involved. A compromise was evolved which was endorsed by both Indian groups. This later became Public Law 587.

TWO THOUSAND ONE HUNDRED AND THIRTY-THREE TRIBAL MEMBERS ELIGIBLE FOR PAYMENTS

For the benefit of those Senators who are not acquainted with Public Law 587—which we are seeking to amend today—I would like to briefly summarize the major provisions of that act.

First of all, the Government was obligated to close the rolls of the Klamath Tribe and thus fix the final membership entitled to share in the tribal property. This has been done, and there are 2,133 Klamath Indians on the final roll.

The next step was for the Department to hire some management specialists who would supervise the carrying out of the provisions of the Termination Act so far as tribal property was concerned.

First, the specialists were to cause an appraisal to be made of the tribal property showing its fair market value if sold under the provisions of the act.

Second, immediately after the appraisal of the tribal property, they were to give each member of the tribe an opportunity to elect to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him.

Third, for those members who decided to remain in the tribe, the specialists were to prepare a plan for the management of the remaining tribal property.

In my opinion, the management specialists have done their job well and with fidelity to duty. I particularly desire to commend Mr. Thomas B. Watters, of Klamath Falls, who has been a tower of strength in seeking not only to represent the best interests of the Indians, but also to try to safeguard and protect the timber, watershed, and wildlife resources of this very valuable and strategic Indian reservation. Without Mr. Watters' counsel and guidance, I would be far less effective and helpful than I may have been in this situation as chairman of the Senate Subcommittee on Indian Affairs.

However, the 1954 Klamath Indian Termination Act contained what, in my opinion, was a fatal defect. This was a provision added at the 11th hour which permitted individual tribal members to withdraw from the Klamath organization and to receive their prorated share of tribal property. I was not a Member of the Senate in 1954. I do not know why this dubious and unwise provision was hastily inserted in the bill. I still fail to comprehend its acceptance by the Senate and the House, as well as the President.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the distinguished Senator from Utah.

Mr. WATKINS. I was not present in the conferences which were held between the Indians, their attorneys, and members of the House Committee on Indian Affairs, which prepared that proposed legislation and held hearings on it. However, my recollection is that the Indians themselves wanted that provision in the act. A large number of Indians wanted to be on their own, have their own property, go their own way, and change their place of residence if they desired. They felt that that provision would give them greater freedom, and that they were far enough advanced to take care of their own affairs. They felt that if they could obtain their individual holdings in cash or property they could take their proper place in society, and in the ordinary economic affairs of the Nation, wherever they wanted to live.

I think that was the reason which activated them, but I am not absolutely certain. If it was not the reason, their reason would have been a good one.

Mr. NEUBERGER. I thank the Senator from Utah for his observation and explanation. In my opinion, the Senator from Utah is one of the best-informed men in the Senate, if not in the country, on the entire question of the problems confronting the American Indian.

I feel that this particular withdrawal provision in the law is at the root of many of the difficulties which have caused the Senator from Utah and me to devote so much time and thought to the effort to solve the Klamath problem.

When the individual members were allowed to withdraw, there and then was created the problem of dissipating the entire resource in a very short time, in order to satisfy their withdrawal claims.

I am grateful to the Senator for his explanation of the background of the legislation, because I was not then a Member of the Senate.

Mr. WATKINS. Does the Senator recall that there were two factions in the Indian tribe itself? One group wanted termination in such a way that they could get their individual holdings in their own names, so that they could operate as they pleased, as other American citizens did. It seems to me that that was one of the big controversies. As I recall, at the time, no one anticipated that more than 25 or 30 percent of the Indians would actually wish to withdraw. We were all amazed, when a survey was made, and the Indians made their election as to whether or not they wished to withdraw, to find that approximately 77 percent of them wished to withdraw.

Mr. NEUBERGER. The Senator from Utah anticipates me, because in the next part of my speech I intend to refer to the rather high percentage of Klamath Indians who elected to withdraw, which caused a situation that undoubtedly was not anticipated.

Mr. WATKINS. It seems to me it is a healthy thing to have the Indians take such a position, for the reason that, instead of being a people who wished to participate, in a collectivist fashion, in a tribal venture, they thought enough of American free enterprise and the spirit of American freedom to make them desire to manage their own affairs, and not have some tribal or local government tell them what to do with their property,

which was held more or less in common with other members of the tribe. While the problem may be difficult and troublesome for us, and while it might cost the Government a little money to obtain the property, if private enterprise did not actually buy the units offered for sale, eventually the Government would have to buy the property under the terms of the bill. By property, of course, I mean the pine forest lands. I assume the Senator has been mentioning them.

Mr. NEUBERGER. I have been, and I intend to do so further. I share with the Senator from Utah the feeling and the hope that, with the passage of the bill and its being signed by President Eisenhower, the Indians themselves will receive a fair price, and that the Government will in turn come into custodianship of rich forest reserves which will increase in value many times.

Mr. WATKINS. I am sure the Senator is correct. At the same time, the Government would probably pay a much better price than private enterprise would be inclined to pay.

Mr. NEUBERGER. That may be true, although Under Secretary Chilson did tell us that he hoped at least some of the units would be purchased by private industry. I do not know whether he is right or wrong. I do know that it is a magnificent stand of timber, and it may be that perhaps some private operators will have the resources and the long-term capital to buy some of the units, as provided in the bill. Of course, if the units are not bought by private enterprise, then the Federal Government will be able to add them to its nearby National Forest lands.

Mr. WATKINS. That is what the bill provides, as I understand.

Mr. NEUBERGER. The Senator is correct.

Mr. WATKINS. I thank the Senator.

Mr. NEUBERGER. I thank the Senator from Utah for his assistance.

Mr. MORSE. Mr. President, will my colleague yield so that I may ask a question of the Senator from Utah?

Mr. NEUBERGER. I yield for that purpose.

Mr. MORSE. I should like to ask the Senator from Utah a question or two, for the purpose of making a legislative record on the proposed legislation. First, I should like to join my colleague in thanking the Senator from Utah for the asistance he has been to us time and time again in connection with Indian matters. I recall very well the consideration of the bill which was passed in 1954. I should like to check my recollection with that of the Senator from Utah, I should like to ask him if his recollection is the same as mine, namely, that the bill passed by the Senate at that time contained no withdrawal provision, but such a provision was added in conference. The bill passed by the Senate was recommended by the Bureau of the Budget and by the Department of the Interior. The Senator from Utah, who was chairman of the subcommittee then, did his best, as did those of us who cooperated with him, in trying to have a bill passed by the Senate which we thought would be helpful in the solution of the Klamath Indian Reservation problem. As I remember, it was not until the bill came back from conference that the withdrawal clause was contained in it.

I have never felt that the Senator from Utah or anyone else in conference was in any way responsible for the insertion in the conference report of a provision which would give the rise to perplexing problems we have faced since then. It was one of those matters into which, in my opinion, we did not go at the time because we did not know as the Senator from Utah has pointed out, what the probable results might be.

Would the Senator say that that is a fair statement of what occurred in 1954?

Mr. WATKINS. My memory has not been refreshed as to whether the bill went to conference. I have a recollection that the House inserted that provision, but I am not sure about it. As I remember, the House acted on it, and we finally accepted the House amendments, after we met with the Indian groups and the Indians had agreed to the program. As I say, I am not sure about it.

Mr. MORSE. I believe the Senator is right, that the provision was added in the House. The point I wish to make, for the purpose of the legislative history, is that it was added in the House, somewhat at the tail end of the session, about August 13, 1954, and that as the RECORD will show, there was no extended discussion on the floor of the Senate after the matter came to us from the House.

Mr. WATKINS. We wanted to do as much as we could for the Indians. After all, it was their property and their lives we were dealing with. Therefore we yielded as far as we could, in keeping with the policy which Congress had unanimously declared in the resolution to which the junior Senator from Oregon has referred. We tried to give the Indians as much their way as we possibly could and at the same time accomplish the overall purpose Congress had declared in its resolution.

I intend to speak on the subject shortly. This whole matter goes back many years, prior to 1954. When I first came to Congress, in 1947, request was made by the Senator from North Dakota [Mr. LANGER], of the Indian Bureau, for information with respect to the Indian tribes which were then ready for termination and were ready to take care of their own affairs. The Klamath Indians were on the list which was furnished by the acting Commissioner, Mr. Zimmerman. Even then hearings were held. This has been a matter of long study and has been before Congress time and time again.

Mr. MORSE. I should like to say to my colleague from Oregon that I appreciate his letting me me interrupt him, so that the Senator from Utah and I could make this record. Some publications have taken us very much to task for the 1954 law, and I thought that the history of how it all happened ought to be made part of the debate.

Mr. WATKINS. We tried to give the Indians as much as we could of what they wanted. They practically wrote their own ticket when it came to the question of how they were to get their property.

Mr. NEUBERGER. I was not a Member of the Senate in 1954; therefore, I have no recollection of what happened. However, I am informed by the staff of the Subcommittee on Indian Affairs that the withdrawal provision was added in the House; and that when the bill was returned to the Senate, the Senate accepted the House version of the bill, rather than go to conference.

Mr. WATKINS. That is correct.

Mr. NEUBERGER. That bill finally became the act which was signed by the President, and is known as Public Law 587.

Mr. WATKINS. I introduced the original bill of termination in the Senate, and then the House passed its own version after it was worked out in conference with the Indians. I thought the Senate committee had worked it out previously with the Indians, but in the meantime the Indians had changed their minds.

Mr. NEUBERGER. That has been known to happen, of course.

Mr. WATKINS. Not only in the case of this tribe, but other tribes also; and not only in the case of Indians, but now Indian people also.

Mr. NEUBERGER. Yes; and perhaps even more so in the case of white people.

I have not yet had satisfactorily explained to me why the 1954 act was "sweetened" by the inclusion of an extraneous per capita payment of $250 to each Klamath tribal member—every man, woman and child—thus perhaps softening Indian opposition to certain controversial aspects of the legislation.

WITHDRAWALS THREAT TO SURVIVAL OF TIMBER RESERVES

But what is past is prologue, and we now are confronted with a condition and not a theory. Yet only about a year after the termination act had been in operation, a Stanford Research Institute preliminary survey disclosed that some 70 percent of the Klamaths might elect to withdraw and seek a conversion of the resources into their prorated tribal shares. This supports the point of which we were reminded by the Senator from Utah. After this percentage became known, many leading groups in Oregon—church, civic, conservation, labor, school and press—suddenly realized the perils lurking in Public Law 587. Leaders of such groups came to me in some desperation, urging that I aid with stopgap legislation in order to prevent the abrupt and hasty exploitation of the timber and marshes of the reservation so as to satisfy the legal and valid claims of the withdrawing Indians. That was my introduction to the Klamath crisis—my baptism under fire, so to speak.

The recent election has confirmed these fears since 77 percent of the tribal members elected to withdraw, as the Senator from Utah pointed out a few moments ago. The main asset that must be disposed of to realize the funds to pay these withdrawing members is the Klamath pine forest. To comply with the act and to satisfy the percentage of withdrawing members, it threatens to drop over 3 billion feet of prime

ponderosa pine timber on the market, particularly at a time when the Oregon lumber industry is already enduring a grim economic crisis. I have been advised by the Chief of the Forest Service that this glutting of the Northwest lumber markets could cost the United States Forest Service, over the next 10 years, millions of dollars in timber receipts on adjoining national forests. Of more importance, it threatens one of the finest yellow-pine forests in the West with destruction. It is our task here today to solve this dilemma. It is also our duty.

On May 9, 1957, I introduced S. 2047 to provide for the acquisition by the United States of all tribal lands of the Klamath Indian Tribe.

The senior Senator from Oregon [Mr. MORSE] was a cosponsor with me of S. 2047. This bill had as its goal the assuring of a fair price for the 2,133 enrolled members of the Klamath Tribe to whom these resources belong as their rightful heritage. It provided for the Federal purchase of the entire Klamath Indian Reservation. Included in this reservation of particular interest and value is a great pine forest of approximately 750,000 acres which would have been placed under the supervision of the United States Forest Service. The vast marsh of approximately 15,700 acres, used by some 80 percent of the birds traveling the Pacific flyway, would be made part of the refuge system of the Fish and Wildlife Service.

MARSH WILL BECOME WATERFOWL REFUGE

After a careful canvass of the situation prevailing in the House and the Senate, I came to the conclusion that the administration's proposal, which I introduced by request of the Secretary of the Interior on January 16, 1958, as S. 3051, and which we are here considering, had a somewhat better chance of enactment than my own outright Federal purchase proposal. I was advised that a number of persons were disturbed over the substantial sums required to buy the Klamath forest. It was stated that some private purchasers might be willing to purchase the forested areas and manage them on a sustained-yield basis. The administration's proposal embodied in S. 3051 provided for private purchase on this basis, and when the two bills were considered simultaneously by our Indian Affairs Subcommittee, I urged the committee to report S. 3051 with some slight amendments instead of my original bill. Both the Subcommittee on Indian Affairs, of which I am chairman, and the full Committee on Interior and Insular Affairs have reported this bill unanimously. The chairman of the full committee, the distinguished senior Senator from Montana [Mr. MURRAY] has cooperated with me to the utmost of his capacity and authority.

The principal features of the bill now before the Senate are as follows:

First. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest which should be managed on a sustained-yield basis.

Second. The 23 percent of the Indians who elect to stay in the tribe will have their portion of the forest allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law and would not be changed by this amendment. The proposed management plan which has been proposed is a private trust and it provides for sustained-yield management.

Third. The portion of the forest that must be sold to compensate the 77 percent of the tribal members who have elected to withdraw will be offered in appropriate units for private purchase. These units will be offered at not less than the appraised value of what they would bring on the open market, but they will be subject to sustained-yield requirements that are enforcible for 100 years by a forfeiture and reversion of title in the event of a violation of the requirements.

Fourth. The Secretary of Agriculture will buy at the appraised value the forest units not purchased by private industry and which are suitable for National Forest Administration. All units that are not purchased by private industry or the Secretary of Agriculture will be sold by the Secretary of the Interior under the present termination act. The latter category will not be extensive.

Fifth. The Secretary of Agriculture is limited, however, to the purchase of forest units that have an aggregate value, together with the tribal marsh, of not to exceed $90 million. The maximum amount of property that will have to be sold on behalf of the withdrawing members is a little more than $92 million, and it may therefore be necessary for the Secretary of Agriculture to adjust the boundaries of the forest units slightly in order to stay within the $90 million limitation. I am assured by responsible Federal foresters that this can be done without imperiling in any way the sustained-yield operation of the vast bulk of the Klamath Ponderosa pine forest for at least the next century.

Sixth. The Secretary of the Interior will buy the waterfowl marsh at its appraised value of $407,000, and he will add it to the national sanctuary and refuge system of the Fish and Wildlife Service.

In summary, I believe that S. 3051 will accomplish two major objectives:

First. It will obtain for the Indian owners of the reservation who wish to dispose of their share a fair market value.

Second. It will assure the people of the United States that the timber, water, wildlife, and recreational resources of the reservation will continue to be managed wisely for the benefit of all the people.

To be realistic, we realize signing by the President of S. 3051 will not end forever litigation over the vast resources of the Klamath Reservation. Human nature never will permit that—alas. Still, without such a measure as this, it will be impossible to pay the Indians a fair price and to save the lumber economy of southeastern Oregon for permanent and enduring operation. In the absence of S. 3051, the Indians will be compelled to accept bargain-basement prices for their resources, and those resources will be hastily liquidated and exploited. That is the alternative, so I feel no compulsion to pretend that this measure is perfect or without frailties.

Yet, in my opinion, this bill is a genuine must. It has been recommended by the Secretaries of the Interior and Agriculture; it has been approved by the Bureau of the Budget, and it has the full backing of the administration. It has received months and months of study and consideration by the Committee on Interior and Insular Affairs, and I can assure Senators that it has been considered on a fundamentally bipartisan basis, under the leadership of the senior Senator from Montana [Mr. MURRAY]. I sincerely and strongly urge its enactment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. WATKINS. I express my very deep personal appreciation and gratitude to the junior Senator from Oregon for the very fine cooperation and intense, efficient work he has done on this measure and the activities connected with it and for his efforts to bring about some sort of understanding.

When I first came to Congress in 1947, one of my first duties was as chairman of the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs. During the same year, I held hearings in Oregon. Much of the work had to do with the possible termination program.

I appreciate also the cooperation of the senior Senator from Oregon [Mr. MORSE] and former Senator Cordon of Oregon with respect to the Klamath Indians.

I found all along the line, among State, county, and Federal officials, especially the Indian Bureau and the Department of the Interior, and among Members of Congress, as well, a desire to help the Indians in the best possible way. We felt, after all had been said and done, that the time had come when the Klamath Indians ought to be on their own; in other words, they ought to have been far enough along in education and experience to take care of their own property, or at least to begin to take care of it. Almost 12 years have passed since the recommendation was made in 1947, and there has been a long history of activity.

The junior Senator from Oregon came to the Senate at the time when the control of Congress changed.

I appreciate the fine cooperative spirit which has been shown in trying to treat the Indians in the best possible way. I also compliment the Klamath community, including the county of Klamath, and the whole State of Oregon, as well. I think the program will accomplish much in the years ahead, and that it will be successful, although it does have the defect which the Senator from Oregon mentioned.

Mr. NEUBERGER. I thank the Senator from Utah for his generous comments about me. I know I speak not only for myself, but also for the senior Senator from Oregon [Mr. MORSE], when I

thank the Senator from Utah for giving so unselfishly of his knowledge and wisdom on the subject, and for the time and energy which he has expended to help the people of Oregon and the entire Pacific Northwest to solve the question of the Klamath Indian Reservation while, at the same time, we have tried to preserve its resources for the economy of the entire Nation.

Mr. WATKINS. I thank the Senator from Oregon.

Mr. MURRAY. Mr. President, the bill which is now before the Senate, S. 3051, amending the Klamath Indian Termination Act of 1954, is one of the more important bills which have been reported from the Senate Committee on Interior and Insular Affairs during this session of Congress.

The bill has as its objective the solution of a very complex situation which has arisen because of the termination program enacted in the 83d Congress for these Indians—a program which I considered very unwise at the time it was adopted.

In 1947, I participated in hearings with respect to proposed legislation to end Federal trusteeship over this tribe of Indians in Klamath Falls, Oreg. I felt at that time that this group was not prepared for removal from the protection of the United States, and the committee apparently agreed with me because no legislation was enacted.

However, in the 83d Congress, following the adoption of House Concurrent Resolution 108, this tribe of Indians was selected for termination. The legislation which was enacted in 1954 to provide for termination was not perfect, and after its passage there began to appear very formidable problems in carrying out the law.

In 1956 I conducted hearings in Oregon on the subject of this program. We heard from many witnesses that the problems connected with the administration of the act were of such a character that some remedial legislation was essential in the 85th Congress if economic catastrophe were to be avoided in this section of Oregon.

At the outset of the 85th Congress I appointed the very able Senator from Oregon [Mr. NEUBERGER] as chairman of the Subcommittee on Indian Affairs. Within the space of a few weeks, the Senator from Oregon had introduced a bill to delay the Klamath termination program so that we on the Committee on Interior and Insular Affairs could have an opportunity to investigate fully the operation of the Klamath program with a view to reporting to the Senate proposed legislation which would correct the perilous situation the original law had created. That bill was enacted in 1957.

Now, after more than 2 years of study, investigation, and prolonged hearings on the Klamath situation, the Committee on Interior and Insular Affairs has reported to the Senate S. 3051, which, if enacted, will at last hold forth the hope that some order will be restored to this program.

A majority of the members of the Klamath Tribe has elected to leave tribal life and have its share of the vast forest sold off. If we permit such action to take place, one of the finest sustained-yield stands of ponderosa pine timber left in the United States may be lost forever. Under present law, we would be forced to sell almost 4 billion board-feet of timber at a time when timber prices are very soft. This could only result in the Indians getting less than their property is worth and might very probably create a boom-and-bust economic situation in southeastern Oregon.

Mr. President, I shall not speak at length on this subject. The printed hearings on the Klamath bills are on each Senator's desk. They are replete with testimony on the consequences of inaction in passing legislation to amend the 1954 act. Senate Report No. 1518 recites the background of this whole problem, and why we must pass the pending bill.

Not only were extended hearings held, but the subcommittee after careful study reported the bill unanimously. In addition, the matter was the subject of long discussion before the full committee. We heard no objections, but several members made suggestions which they believed would improve the bill. After exploration, the committee made some additional perfecting changes, and again the bill was approved by a unanimous vote.

I take great pride in the fact that the committee took the bill which was sponsored by the administration and labored in bipartisan cooperation to bring it before the Senate essentially as the administration requested it. The members of the committee deserve commendation for their hard work on the measure.

Finally, Mr. President, I congratulate the junior Senator from Oregon [Mr. NEUBERGER] on the excellent work he has done in behalf of the Klamath Indian Tribe and in the interest of conserving the Klamath forest for all of the people of this Nation.

Likewise, I commend the senior Senator from Oregon [Mr. MORSE] for the splendid work he has done in furthering this program.

Mr. LANGER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Does the Senator from North Dakota wish to have the floor in his own right, or does he wish to have me yield to him?

Mr. LANGER. I wish to speak for approximately 3 minutes on this bill.

Mr. MORSE. I shall be through in 4 or 5 minutes.

Mr. President, I wish to congratulate my colleague, the junior Senator from Oregon [Mr. NEUBERGER], who is the chairman of the Indian Affairs Subcommittee, and I also wish to congratulate the entire Committee on Interior and Insular Affairs, for bringing before the Senate a bill which offers a solution to the complex problems which Public Law 587, of the 83d Congress, has presented. I also wish to congratulate the chairman of the committee, the senior Senator from Montana [Mr. MURRAY]; and I also offer my congratulations to the ranking minority member of the subcommittee, the senior Senator from Utah [Mr. WATKINS], for the great assistance he has rendered to those of us who have a vital concern in the Klamath Indian Reservation problems.

The solution promised by Senate bill 3051 is far better than the alternative of no solution. In this case, inaction would be tantamount to a catastrophe for the Klamath people and the economy of the area, and would threaten a vital natural resource which concerns the entire Nation.

Naturally, I am disappointed that the administration did not endorse Senate bill 2047 which was cosponsored by me, after the junior Senator from Oregon introduced the bill, as its author. That bill had bipartisan support in the State of Oregon. I am glad, however, that some of the principles of Senate bill 2047 were incorporated in Senate bill 3051 by the administration. However, the heart of the bill the administration has recommended—the provision which will permit sale, to large private timber companies, of the portion needed to satisfy withdrawing members—is the administration's own proposal.

The portion of the reservation which the nonwithdrawing Klamath Indians will manage for themselves will be offered under sustained yield and smaller timber sales as they sell the timber to derive annual income. One of the compelling arguments for the enactment of this bill is that the forest, the watershed, and the land will be protected by sustained yield.

A second compelling argument for enactment of the bill is that the withdrawing Indians, as well as those who will stay in, will be protected from economic catastrophe. If the withdrawing members' timber were dumped on the market, not only would its value be reduced, but, in addition, the Indians who hoped to practice forest management on the balance of the property might be unable to sell their timber for a fair price on a glutted market.

Finally, this bill will insure that the adjacent public and private timber will not depreciate in salability and value, due to the dumping of Klamath timber. The committee report shows that the national forest alone might lose $50 million in revenue from the sale of timber in the event of a quick sale of all of the timber on the reservation.

This bill grants private industry a chance to bid on the timber and to buy 77 percent of this reservation. I agree with the Senator from Utah [Mr. WATKINS] that provision for sustained yield should be made, because the public interest will, by means of the bill, also be protected by the reservation in regard to a sustained-yield program.

I am pleased that the committee accepted the suggestion from some of us that the sustained yield provision governing such purchases be lengthened. I note that it is set at 100 years. The report on Senate bill 3051 states that the bill "offers private enterprise a full opportunity to acquire this valuable property, but requires its operation on a sustained yield forest management and cutting basis." Thus, it is evident that the bill contains a real safeguard—namely if private enterprise does not come forward, the Federal Government

is authorized to add this land to the national forest, where sustained yield will certainly be assured.

I still believe the administration erred in not endorsing Senate bill 2047. I think the junior Senator from Oregon and the Interior Committee have brought out the best bill they could, under the circumstances. I realize that if Senate bill 2047 had been reported, the President might have vetoed it. I shudder to think of the calamity that would occur if Public Law 587 were not amended. In any event, history will record whether Senate bill 3051 is the proper solution. I believe it is a very good, workable solution.

I wish to commend my colleague [Mr. NEUBERGER] for the long hours of work he has devoted to this vital problem. I believe it is true that he expressed concern about Public Law 587 even before he came to the Senate. He held hearings in 1955, in 1956, in 1957, and again in 1958. He secured stop-gap legislation, last year. He worked to devise Senate bill 2047; and, as I have said, this bill had strong support in our State. He has done everything possible, in my opinion, to find a fair and just solution to an exceedingly complex problem.

Today, he has brought before the Senate, with the cooperation of the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. WATKINS], and other Members of the Senate Committee on Interior and Insular Affairs, a Senate bill to meet a deadline which cannot be put off. I am sure the people of our State, the Indian people, and all others who are interested in conservation appreciate the serious effort he has made to resolve this very complicated and complex problem. I have supported his effort to secure the passage of the best bill there is a legislative chance of having passed and enacted into law at this session of Congress.

I would have preferred the original bill which my colleague authored, and which I joined in sponsoring, namely, Senate bill 2047. However, I am convinced that Senate bill 3051, which now is before the Senate, does not compromise any principle of sound conservation policy, but constitutes the type of compromise for which the legislative proces calls for—not a compromise of principle—but a compromise of policies and andministrative procedures which in this instance will give us, I believe, Mr. President, a bill that is workable.

So, Mr. President, I am very happy to support my colleague, the Senator from Montana, and the Senator from Utah, in urging that the bill be passed.

Mr. NEUBERGER. Mr. President, will my colleague yield to me?

Mr. MORSE. I yield.

Mr. NEUBERGER. I wish to thank my colleague for his very kind words about my efforts with respect to the Klamath Indian question. I wish to assure the Senate that all during this very difficult, trying, and prolonged period of attempting to reach a fair and equitable solution of this issue, I have had his full and complete cooperation. I am grateful for that cooperation.

Again, I wish to say that I know he joins with me in gratitude to two senior members of the Senate Committee on Interior and Insular Affairs, who have seen to it that the resources, the staff, the authority, and the prestige of the Senate Committee on Interior and Insular Affairs and, in particular, of its Indian Affairs Subcommittee, were geared to the attempt to do something about this question; I refer to the able senior Senator from Montana [Mr. MURRAY], the chairman of the Committee on Interior and Insular Affairs, and the senior Senator from Utah [Mr. WATKINS], the ranking minority member of the Indian Affairs Subcommittee, who possesses such long experience in this field.

Mr. MORSE. Mr. President, I certainly join my colleague in expressing appreciation to the Senator from Montana and the Senator from Utah.

I see that there is now on the floor of the Senate a very able Member of the House of Representatives, from the State of Oregon, Representative AL ULLMAN, in whose congressional district the Klamath Reservation is loctaed. I wish the RECORD to show that I deeply appreciate, as I know my colleague does, the cooperation which we have received at all times from Representative ULLMAN in regard to this very complex problem.

Let me say to Representative ULLMAN that we hope the Senate will pass the bill today, and will put it in his lap, so to speak, trusting that the best possible solution in regard to it will be worked out in the House of Representatives.

I think the record should also show that Representative ULLMAN has been of great help to the Oregon congressional delegation in our deliberations on this very difficult and complex problem.

Mr. NEUBERGER. And our cooperation with Mr. ULLMAN will continue when he makes every effort—and I am sure his efforts will be successful—to have the bill (S. 3051) passed by the House of Representatives.

Mr. ALLOTT. Mr. President, it is a pleasure to hear my good friends, the Senator from the great State of Utah [Mr. WATKINS] and the Senator from the great State of Oregon [Mr. NEUBERGER] speak with such accord on this very complicated Federal termination problem. Although I am a member of the Committee on Interior and Insular Affairs, I knew very little about this problem when it was first discussed in the full committee, several weeks ago. I had some grave doubts about this bill, when it was discussed at that time. I have since explored the matter, however, and am now aware of the need to amend the present act along the lines of Senate bill 3051.

Both the Senator from Utah and the Senator from Oregon have spoken about the complexities of Indian affairs, particularly as they relate to the Klamath Tribe, and have indicated the importance of the conservation of the great pine forest on the Indian reservation.

We know also of the importance of dealing honorably with the fine members of the Klamath Indian Tribe.

The efforts of the Congress, during the past several years, to help the Klamath Indian people acquire a new dignity, through the termination of the special Federal trust and at their own request is a good effort. Members of the present generation and of generations to come will be greatly benefited by this legislation. I believe that from a financial point of view this is a good investment.

The measure which we are considering today will protect for all the people of our Nation and for every following generation a mighty forest and a vast watershed. It will do justice to the Indian tribe and will relieve the Federal Government of its trusteeship responsibilities.

Our best national interest is represented here. The Senator from Oregon [Mr. NEUBERGER] and the Senator from Utah [Mr. WATKINS] have both worked hard to bring us an effective proposal, now represented by S. 3051. The Departments of Interior and Agriculture have proposed this as the best possible solution. It has the administration's support.

I personally wish to join my friends, particularly the senior Senator from Utah and the junior Senator from Oregon, in their support of this bill, and ask for its speedy passage.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from Oregon.

Mr. NEUBERGER. I am very grateful for the kind remarks the Senator from Colorado has made about my part in advancing the pending bill. Of course, I concur in what he has said about the role of the senior Senator from Utah.

To me, the Senator from Colorado displayed the highest type of statesmanship in this episode, because I realize he originally was opposed to the bill, or at least had some very serious doubts about it. After some of us had an opportunity to discuss it with him and show him what issues and problems were involved, he changed his mind, and he has been one of the most effective and loyal supporters of the bill.

I am sure the Senator will not mind if I take about 30 seconds to express appreciation to one of the good friends of the Senator from Colorado, Under Secretary of the Interior Hatfield Chilson. Mr. Chilson has been the member of the Interior Department who has been most occupied in presenting this very important proposed legislation to the Congress, although it involves a State which is 1,000 miles away from his own State, which is also the State of the Senator from Colorado. Mr. Chilson has always been cooperative and extremely effective in presenting to the members of the Committee on Interior and Insular Affairs the important reasons why this legislation must be adopted.

I know the Senator from Colorado shares with me that opinion of the work done by Under Secretary Chilson toward passage of S. 3051.

Mr. ALLOTT. Mr. President, I wish to express my appreciation to the Senator from Oregon for his comments about my fellow Coloradan. I share the sentiments of the Senator from Oregon. I may say that not only in this field,

but in the whole field of public endeavor, Hatfield Chilson, in my mind, represents one of the finest types of public servants.

I may point out to my friends from Oregon that when this matter came before the full committee—I was not a member of the Subcommittee on Indian Affairs, of which the Senator from Oregon is chairman—it presented some very unusual aspects, which I think, would challenge the inquiry and curiosity of any ordinarily prudent, intelligent legislator. I never at any time have been opposed to the bill. Perhaps the questions I asked on that day might have led to the impression that I was opposed to the bill. I have never been opposed to it. The first presentation of it simply raised questions. After spending some time studying the bill, although I realize the amount of time I have spent on it is very small as compared with the time spent on it by my friends from Oregon and Utah, I determined in my own mind that this was the only logical, fair, decent, and just way to accomplish the termination of Federal Government trusteeship and to be really honest and just with the Klamath Indian Tribe.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ALLOTT. I am very happy to yield to the Senator from Utah.

Mr. WATKINS. I wish to join my colleague from Oregon in stating my appreciation for the kind remarks the Senator from Colorado has made about both of us in the activities we have carried on with respect to the pending bill. I think it is sometimes not realized by the public at large that this type of legislation is extremely important to many American citizens. I refer particularly to the Indians of the United States, in this case the Klamath Tribe. The pending bill will terminate a long history of guardianship by the United States of America. Although, under our law, the Indian people have been free for a long time, so far as individual liberty is concerned, the bill gives them full citizenship in the true sense of the word. When the bill is enacted they can control their property as well as their purse. That has not always been true in the past.

The Senate Committee on Interior and Insular Affairs is rather unique in that all its members come from the West and from areas where there are, in some States at least, large Indian populations. It has been a great pleasure to work with these western Senators, because nine-tenths of the matters that come before us are handled in a bipartisan manner.

Mr. ALLOTT. I think that is an accurate statement.

Mr. WATKINS. In regard to Indian problems, it is true. It is very interesting to work with them, because, after all is said and done, we are dealing with the future lives and property of Americans, and such problems should be dealt with in a nonpartisan manner.

Mr. NEUBERGER. Mr. President, if the Senator will yield, I wish to concur in what the Senator from Utah has said. There has been no partisanship in any way in the solution of this issue and problem, which I hope will be solved today with the passage of the bill. I doubt if Sherlock Holmes, with his famous magnifying glass, could have found partisanship in the handling of this issue.

Mr. ALLOTT. I agree with that statement. As the Senator from Utah has pointed out, the proposed legislation will have broad implications, not only with respect to the particular Indians involved, but with respect to the whole field of the Government's relations with the Indians.

I yield the floor.

Mr. LANGER. Mr. President, I have been listening with a great deal of interest to the discussion of the pending measure, and I must say I am disappointed. This entire matter was before the Senate 12 years ago. It was considered carefully. The Acting Indian Commissioner at that time, Mr. William Zimmerman, appeared before the full committee. At first he testified that of all the tribes in the United States, none of them were fit to have self government. It was the only time in all my experience in the Senate when the committee decided to put a witness under oath. After he was placed under oath and the record was being made, he said there were 12 tribes already fit to have self government, and at the very head of them he put the Klamath Tribe from Oregon. That was 12 years ago. Yet during all the intervening time practically nothing has been done. Today for the first time we have the opportunity to do something about it.

I mention this fact, Mr. President, because it is typical of the kind of treatment which the Indians of the United States have been receiving.

Four miles from the beautiful little city of Palm Springs, Calif., want and hunger and poverty are to be found in a little tribe of 300 Indians. The women of the tribe have to carry water from a joint well a quarter of a mile in order to do their cooking.

Similar conditions may be found in Arizona, where the Senator from Tennessee [Mr. KEFAUVER] and I went for the various hearings of the committee. A hospital in the vicinity of Tucson burned in 1947. The Department of Public Health had taken over looking after the health of the Indians a few months before, on the 1st of July. What was done? One of the agents of the Department was sent there. How long did he stay? He went from Washington to Tucson. He stayed on the Indian reservation 3 hours. Then what was his recommendation? He said that they might rebuild the hospital in 1959.

We called as a witness before our committee Dr. Salisbury, the head of the Board of Health of the city in Arizona where the hospital was located. He told the committee that before they were a year old, 17 percent of the babies died, and before the age of 21 was reached, more than half of the young Indians died.

We took the matter to the Senate floor, and, with the help of the Senators from New Mexico and Arizona, had it considered. Instead of waiting until 1959, within 3 weeks the Senate passed an appropriation of $250,000 to get the hospital started, and provided for a total of $2 million to complete it. The hospital is completed today.

Such an incident demonstrates that when a Senate committee is really on the job and is earnestly trying to work for the interests of the Indians, a world of good can be done.

The situation of the Seminole Indians is as I described it on this floor only a few days ago.

Today I wish to compliment Glenn Emmons, the present Commissioner of Indian Affairs, who in my opinion is one of the very first men to have charge of the Indian Bureau who has given it his full time, who has actively seen to it that the Indians are given the kind of treatment to which they are entitled.

Mr. President, regretfully—most regretfully—I point to the fact that a bill I introduced a year ago, to provide industry for the Indian tribes all over the country, still rests in the subcommittee headed by the distinguished junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. NEUBERGER. I should like to say for the benefit of the distinguished Senator from North Dakota that the subcommittee held very extensive hearings with regard to his bill, and his bill has been reported by the subcommittee to the full Committee on Insular Affairs. The bill was reported some 2 weeks ago, and it is presently before the Senate Committee on Interior and Insular Affairs, having been reported by our subcommittee.

Mr. LANGER. I thank the distinguished Senator. That is some of the best news I have heard in a long, long while. I am sure the action is due only to the hard work on the part of the chairman of the subcommittee, the junior Senator from Oregon.

Mr. NEUBERGER. I should like to say it was not necessarily due to my own hard work, but instead due to the hard work of the entire committee.

In fairness to the Senator from North Dakota, I should add that the bill was reported without recommendation, because it was felt such a piece of legislation as far flung in scope and as extensive and as monumental as that which the Senator introduced, should be decided upon only by the full committee. The bill has been reported from the Subcommittee on Indian Affairs to the full committee and is presently without recommendation, either favorable or adverse. That action was taken some 2 weeks ago.

Mr. LANGER. May I inquire when the full committee will consider the bill?

Mr. NEUBERGER. Of course, I do not know that. I cannot properly speak for the full committee, for the chairman, or for the staff. All I can say is that about 2 weeks ago the bill was reported to the full committee.

Mr. LANGER. Again I want to thank the distinguished Senator from Oregon.

Mr. President, the bill to which I have referred should have been passed long,

long ago. The Indian Bureau was created in 1824. I hope Senators will think of that—1824, 134 years ago.

I have read the debates. At that time, long ago, it was said the Bureau was established in order to take care of the Indians of the United States.

When John Collier became Indian Commissioner there were 233,000 Indians on the rolls. Mr. Collier wanted more Indians on the rolls, so he looked around to find some more. He found 2,000 in Minneapolis and St. Paul. He found some more in New York. He found others in various places, such as graduates of Yale, Princeton, and other colleges. When he got through, there were 400,000 Indians on the rolls.

What is the situation with reference to the Indian tribes? I am sorry the distinguished senior Senator from Tennessee [Mr. KEFAUVER] is not present in the Chamber, because he was with me at the various hearings.

Senators will find in Montana one of the most disgraceful situations in the United States, so far as the Indians are concerned. Some Indians in Montana had a little coal mine from which they were trying to make a living. Senators may believe it or not, but the United States Government would not buy the coal from the Indians, to be used in the Federal buildings in the State of Montana.

We might even go a step further, Mr. President. We found a bad situation in the State of North Dakota. The Senate had passed a measure providing that Indian labor should be used in the construction of Garrison Dam, and some Indians traveled 100 or 200 miles to reach Garrison Dam, to help build the dam. When an Indian became sick, he was taken to the hospital at Garrison, and when he came out of the hospital a short time later, he was sent a bill. That was the first time an Indian from a reservation had ever received a bill. At the Indian reservation, the hospital service was free. The Indian, of course, promptly quit his job. So did many other Indians. They then went back to the reservation.

The policy of the Indian Bureau has been to ask the Indians on the reservations all over the country to go to various towns to work. What do we find? We went to Arizona and took testimony. We heard the leaders of various tribes testify. They sat with the Senator from Tennessee and me and asked questions, and helped with the interrogating of witnesses.

Indian women testified before us. They said their husbands at first would go off 100 miles to work, but would come back in 2 weeks. Pretty soon the husband would come back in a month. Pretty soon the husband would come back once in 2 months. Then the family was broken up. They said, "We want industry on the reservation, so that the husbands will be able to stay at home with the families."

That plea was universal, wherever we went, in the various parts of the United States. The idea of giving Indians work 100 or 200 miles away from home is simply no good. I think Glenn Emmons, as Indian Commissioner, has that viewpoint.

The only way to prevent such a situation is to establish industries on or near the reservation. Under the guidance of Mr. Emmons, already in seven places in the United States industries operated by private companies are training Indian help, so that sooner or later the Indians can operate their own industries on, at, or near the reservations. Carl Beck, of the Indian Bureau, did an outstanding job in that connection. I was sorry to see him retire a short time ago.

In addition to the 7 industries already operated, some under the Sperry Co., some under the Bulova Watch Co., and so forth, we find that the Commissioner of Indian Affairs is considering 2 other places, so that at least 9 tribes will have industries on, at, or near the reservation.

The situation is ridiculous. I happen to be chairman of the Refugee Subcommittee of the Committee on the Judiciary. We deal with refugees from all over the world. Consider the small country of Germany, and contrast it with the United States. Germany was defeated in the war, and was practically without a government. Millions of refugees poured in. Kurt Erhart, a professor of political economy, was appointed to deal with the situation. Eight million refugees have been integrated into the German economy. Each one has his own home. Each one has his own job. So Germany has taken care of 8 million refugees, but we in the United States, who in Fourth of July orations, boast about what a great country we have—the richest and finest—and express our pride in the United States, should be ashamed of the fact that since 1824 we have not been able to assimilate among our citizenry 233,000 Indians.

In one State in the Union, Indians are not even allowed to attend public schools. Only a short time ago, under the present head of the Bureau of Indian Affairs, some very fine regulations were adopted. If Indians attend public schools, the Indian Bureau pays a certain amount each month for each Indian child. If an Indian becomes insane, the State insane asylum under rules promulgated by Mr. Emmons, takes care of the insane man or woman and is recompensed in due time, by the United States Government.

I join my colleagues in saying that the bill we are now considering is one of the finest measures to come to my attention in a long time. I hope it will pass without a single vote against it. I hope it will become law, and that nothing but prosperity will result to the fine Indians in the State of Oregon, who in my opinion, will always owe a great debt of gratitude to the distinguished junior Senator from Oregon for pushing this measure.

Mr. WATKINS. Mr. President, the Klamath Termination Act of 1954 which we are seeking to amend today was a direct result of House Concurrent Resolution 108, 83d Congress, which was passed unanimously by both Houses of Congress. This resolution declared that it was a policy of Congress to terminate trust relationships with tribal groups and individual Indians as rapidly as circumstances with each would permit, and as rapidly as possible make the Indians within the territorial limits of the United States subject to the same privileges and responsibilities as are applicable to other citizens of the United States. This resolution further stated that the Klamath Tribe, as well as several others, was ready for termination and that the Interior Department should submit the appropriate legislation by the following January.

When the Senate Subcommittee on Indian Affairs, of which I was the chairman in the 83d Congress, began study of proposed termination legislation for the Klamath Indian Tribe, the committee files revealed that representatives of the tribe had journeyed to Washington to appear before committees of the House and Senate 15 times in the previous 40 years to discuss their status.

As early as 1930, hearings were held before the House and Senate committees on legislation providing for the final enrollment of Klamath Indians, and to permit incorporation of the Klamath Indian Tribe. Nine years before the Klamath Act of 1954, legislation was drafted providing for the removal of restrictions on the property and moneys belonging to the individual enrolled members of the Klamath Tribe. Extensive hearings on this bill were held in 1946. Again in 1947 and 1948, hearings were held on bills proposed for a similar purpose.

Following the adoption of House Concurrent Resolution 108, the Department of the Interior submitted a bill as required in the resolution which would terminate the Federal trust for the Klamath Reservation.

On January 14, 1954, the Tribal General Council voted to adopt the draft bill in principle, subject to various modifications suggested at the tribal council meeting and yet to be worked out by the committee on legislation and the tribal executive committee.

Members of the advisory committee representing the Governor of Oregon attended the January 14, 1954, tribal general council meeting and cooperated generally with tribal officials in the deliberations on the matter of termination.

During the 1954 hearings two major factions of the tribe appeared before our committee and gave conflicting testimony. Some of them testified in favor of termination. There was no unanimity on the bill which was before the committee nor on what substitute measures would be acceptable. Following the hearings, however, the two major factions, each represented by competent counsel, held discussions with Department of Interior officials and with individual Congressmen and Senators.

As a result of these discussions a substitute bill was drafted and presented to the House Indian Affairs Subcommittee which was holding hearings on S. 2745. After the two Indian factions testified to the House committee that they endorsed the substitute measure the House adopted their recommendations and forwarded them to the Senate for concurrence.

I have given you this brief summary of events which led to Public Law 587 in order to show you that this law was not something that was hastily concocted during the 83d Congress, but rather the end result of years of negotiations and study. At the time this legislation was enacted I am sure that all Congressmen and Senators concerned were convinced that the termination of Federal supervision on these Indians was long overdue and that the Indians would have a much better future without Federal trusteeship.

Because of the complexities of this Federal supervision I am sure that none of us that were acquainted with the problem felt that Public Law 587 was a perfect law and that it would not require further amendments. We passed a number of termination acts—six I believe—during that session and we frankly contemplated that as the Department of the Interior started carrying out these acts, unforeseen problems would arise which might require modification. Several of these acts have been amended. One of the big problems which we did not foresee at the time of this act was the fact that such an overwhelming number of the Klamath Indians would want to withdraw from the tribe and have their tribal assets liquidated for them.

We heard testimony that possibly 20 percent or 25 percent might make such an election. Instead over 77 percent have elected to withdraw. As the Senator from Oregon has explained to you, this poses a very serious conservation and economic problem in western Oregon.

This problem has been carefully considered by Department of Interior and Department of Agriculture officials, both in Washington and in the field. The measure we have before us today is their best judgment of an appropriate solution. After careful review by the Interior and Insular Affairs Committee we have concurred in their recommendations.

It is my opinion that Public Law 587 should be amended along the lines of the bill before us. If this is not done I am afraid that this all-important termination might fail. Such a failure would reflect on the whole policy of termination and might ultimately cost the Federal Government many times the possible expenditures this act calls for. I am hopeful that by first offering this great forest to private industry that private industry will respond and purchase most of the units. This would save the Federal Government substantial money. However, I am convinced that if private industry is not willing to purchase this forest and manage it on a sustained yield basis, that it is in the national interset to conserve this great forest and make it a part of our national forest reserve.

Mr. President, I wish to make it clear at this point that in considering the bill the members of the committee and others who have been concerned with this matter, whom I have mentioned, have proceeded on the theory that whatever we pay the Indians for the land, if the United States Government becomes the purchaser, is a fair consideration. What we are doing should not be interpreted in any way as a move to take from the Indians property which may be worth more than we are paying for it. As a matter of fact, under present economic conditions, I believe the compensation provided, if the United States should be the ultimate purchaser, is the fair market price as of the present times under the circumstances in the particular area.

I wish to make that point clear, because sometimes in the past, when the United States has made a fair deal with the Indians, a generation or so later people have said, that, judging by the record made at the time, the Indians had been cheated, and the United States took advantage of the Indians. This time I know that cannot be truly said. I believe the junior Senator from Oregon and others who have been dealing with this matter will fully agree that the bill provides a fair compensation for the Indians.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. NEUBERGER. I wish to corroborate what the Senator from Utah has said about a fair price being paid. The appraisal of this great Ponderosa pine forest was made by the western timber Services, which had a contract with management specialists, who were appointed by the Department of the Interior. They are a responsible agency, with well trained and able personnel. I have discussed the matter with Mr. Earle Wilcox, forester for the Management Specialists, who has probably had more experience with the Klamath Reservation forests than any other living man. He believes it to be a fair price. Those to whom I refer are technically trained in this field and have had experience with the area in question. What they have said supports what the Senator from Utah has told the Senate.

Mr. WATKINS. In addition to what I have said about my colleagues, the junior Senator from Oregon and the senior Senator from Oregon, and other Senators, who have acted on this matter in the Committee on Interior and Insular Affairs and on the Subcommittee on Indian Affairs, I wish to say a word of commendation which is due to Commissioner Glenn L. Emmons, who has been very sympathetic in the consideration of all Indian problems. He has lived most of his life in the Indian country, and he knows the Indian people and their desires and ambitions. He knows how they have been treated in the past. I am sure he approaches a solution of Indian problems in a very practical and humanitarian way. Therefore I should like to commend him also. He is a man who has been very easy to work with, and he has been very cooperative.

I also wish to commend his assistants, Mr. H. Rex Lee, who has handled much of the detail in connection with the termination bills. I know Mr. Lee sometimes feels he is not appreciated. He is a front man, who works out in the field and meets with the Indians. At times they vent their wrath on him if they do not get exactly what they want. He has been made what might be termed, perhaps in not very dignified parlance, the goat. I have found him to be very sympathetic and very practical in his approach to these problems, and I wish to commend him.

Mr. Chilson, as has already been mentioned, comes from the area involved, and he knows the Indians. He knows their needs, and he tries to be very sympathetic and very much interested in their problems.

In conclusion, I wish to say a word for the Klamath Indians. I believe the Klamath Indian Tribe has great possibilities. I met with them in 1947, when a subcommittee spent a week in holding hearings and in visiting them and their forests and their institutions. I found at that time that practically all of them spoke the English language and understood it fairly well. We found that their young people were in school, and they were about as far advanced in education and training as any Indian tribe I have ever met; and I have met a great many of them. I believe that with this responsibility which now comes to them, with the right to take care of their own property and to manage their own affairs, they will grow in stature, and in strength and in their contribution to this country. I believe that this is one of the greatest blessings that can come to an individual citizen, namely, the responsibility and the right to take care of himself. In fact, it is his duty to take care of himself so far as he can possibly do it.

In my judgment, we have been rather slow in giving more and more responsibility to the Indians to take care of their own affairs. I believe that now they will have to learn to manage their own affairs. Perhaps we will have to take similar action in the case of various other tribes at different times.

We have already terminated several small tribes in Oregon, and I believe that program is working very well. There are 1 or 4 small tribes in Utah and in Texas which have been terminated, and I believe the program is working successfully there also.

It is very difficult at times to convince many of our well-meaning friends, particularly those who have been organized in Indian associations, to understand what our motives are in placing responsibility on Indians and in giving them full control of their affairs. It is not with any desire whatever to make it possible for predatory interests to defraud them of their property or anything of that sort. I would be one of the first to try to throw around them every protection which might be necessary under the circumstances. However, in my short lifetime, I have found that people grow only with responsibility. It is not possible to supply them from the outside the ability to take care of their affairs; it can come only from within them. That philosophy applies to Indians as well as to non-Indian people.

I believe the Klamath Indians will have a great future if they proceed in the right way and are careful and prudent and cautious in the handling of their properties. I do not believe that anyone will deliberately try to cheat them, except possibly some who might want to

Bell, president, Church Federation of Greater Chicago, stated.

"The youth service bureau, successor to the boys' court service, is a social agency within the social welfare department of the Church Federation of Greater Chicago. * * * We have conclusively demonstrated the value of casework techniques for the treatment of delinquent boys. We find that there is no substitute for individual attention, understanding, and Christian guidance. We find that early diagnosis and treatment can prevent delinquency. Through the years the youth service bureau has supervised well over 10,000 boys, 87 percent of whom have received satisfactory discharges from the court."

This is an illustration of what a church organization can do in the treatment of a boy who has been before the juvenile court and released to a church group. It also shows that proper casework in early diagnosis can prevent a boy from becoming a delinquent.

2. There should be increased use of church buildings particularly in underprivileged neighborhoods.

This is most important, since in many congested neighborhoods, there are no playgrounds or community centers available to the youth, and those churches that have gymnasiums or ground facilities, that can be used by the juveniles in that particular area, can do very much to build the morale and character of the youth of that area by throwing their facilities open to the youth of all religious faiths.

This type of activity has been done in the past but it should be done on a uniform basis as soon as possible throughout the country. A collateral illustration ean be made in certain large cities where there are not sufficient playground facilities within a city department and the boards of education collaborated with the city playground department and made the school grounds available to the city and the city provided the playground instructors so that there would be sufficient playground facilities for the children. This program should be encouraged on a nationwide basis.

3. Increased use of expert recreational leadership in social agencies and public schools for the training of church leadership for this task.

We have learned from expert testimony in our hearings that the church leaders in charge of youth activities must be well trained and well qualified to guide youth; otherwise, the most effective part of the program will be lost.

4. That church groups should within their own church attempt to provide sufficient programing on a full-time basis that this may reach all of the youths of the community, irrespective of age or sex. And further, that the church should make every effort to reach those persons of their respective faiths and denominations who are not active and churchgoing members.

You have heard jokingly that a juvenile delinquent will often quote "I would rather be found dead than caught in a church recreational center or community center."

It is up to the churches to be certain that they reach this type of a juvenile delinquent and do as Dr. Bell stated earlier, correct 87 percent of those entrusted to their care.

A well-organized church youth program can be of immeasurable value to the youngster who feels isolated and lonely and who has a strong desire to be accepted as part of something bigger than himself. The Hollywood First Baptist Church of Hollywood, Calif., is a striking example of what a church can do by adopting a preventive approach to the treatment of juvenile delinquency. (This church also has a very good rehabilitation program for those young people, whether members of the church or not, who have committed unlawful acts.) Rev. R. Lindquist stated they have 27 different groups for boys and girls sponsored by the church, meet during the weekdays. Fifty percent of the membership of these clubs come from outside of the boundary of the church and the Sunday school and from the community at large. Such programs make a boy ask this question: "What is the angle in this? Why are you interested in me? Nobody has ever taken any interest in me before."

The matter of preventing juvenile delinquency begins for the church in offering good counsel to both the parents of the child as well as the child. Counseling for marriage by the pastor is most important, and each church should have a definite program set up along these lines for those who plan to marry.

Following the marriage and the birth of children, the couple should find in the counseling minister the hope they need in adjusting to the changing culture of establishing a home and assistance and understanding, the moral and spiritual factors so necessary for normal living and to help the child in acquiring this knowledge.

The churches as a group should be most interested in demanding that in every city there are competent and trained guidance clinics to aid those parents who need help in rearing their children.

The church and the community have a further responsibility in the overall problem of youth services in making their views and positions on community matters effectively known before other church and civic organizations and before the city councils and State legislatures as well as the Congress of the United States. This is most effective when these legislative and administrative bodies are concerned with new effective programs for the good of the community which must also provide funds to carry out those programs. With so many projects coming before State legislatures the program, that is most effectively presented and the one that has the full support of the entire community, will be the one that will be approved and funds provided to carry out such programs. Therefore, if the given community needs mental-health services, probation services, improved detention facilities, increased police services and so on, the church and the community must make its position known and properly presented to the given authorities to assure that the funds will be made available to carry out those programs. This, of course, means that the members of that church and the community, as individuals, must also exert similar efforts as the group is required to do.

During the course of the hearings in Pittsburgh, the council of churches was explaining the intensified efforts to curtail delinquency and to create programs to prevent children from falling into delinquent ways. An illustration was brought out where in Washington, D. C. in precinct No. 2, which was known as the precinct with the highest incidents of juvenile delinquency and crime, the church people, the community leaders and the business leaders conducted an intensified program of door-to-door campaigning to arouse the interest of parents in exercising a greater degree of control and responsibility over their children and urging them to do everything possible to assure that the children received the necessary instructions as to proper youthful behavior in the schools and in the neighborhood. This program bore fruit in that No. 2 precinct showed a remarkable decrease in juvenile delinquency behavior.

Another illustration was brought out in the Chicago hearings where residents from the Rothschild Foundation residential unit decided that they were not going to permit any youth delinquent behavior in that residential development. Bear in mind that this area was one of the worst slum areas, with a delinquency problem. The new residential unit had 8,000 families. In a 2-year period, not 1 case of juvenile delinquency was reported to the juvenile authorities. This is one of the most remarkable examples of what a community can do in curtailing juvenile delinquency.

Thomas Jefferson said: "Eternal vigilance is the price of liberty." Mothers now march against polio by door-to-door fund campaigning. Mothers and fathers can be eternally vigilant in a march against delinquency by a door-to-door and block-by-block contact with the parents of the neighborhood so that there is a mutual interest in seeing that their children are in a neighborhood of proper environment.

An aroused, alert and coordinated community can do most anything. Corrupt governments and despots have been overthrown; gangsters have been run out of town; gamblers and houses of ill-fame have been shut down. Cities have been saved from raging floods and disease infested areas have been cleared to save the people from plagues.

The murder of a student in a schoolhouse or the rape of a young girl in a hallway of the school is enough to make any red blooded American community's blood boil.

Recent reports show a 21 percent increase in 1 year in juvenile-delinquency cases brought before the juvenile courts. Cases are not brought before the courts unless there is a serious violation.

But the most alarming thing is the high percentage of crime of violence against both person and property committed by the 15- to 21-year olds.

We are not talking about stealing apples or breaking street light lamps.

We are talking about crimes of violence and sometimes complete disregard for law and order in favor of the law of the jungle.

Therefore, if we want our children to be protected; if we want to assure ourselves that our own children will not be drawn in this spiderweb of delinquency and crime; then we as a church and as a community must join with other community groups in a house by house and block by block effort to make every resident an alert, aroused and constructive citizen in this fight against delinquency and return to christian way of life for our youth. With such coordinated effort the public and private agencies will gain the support and funds needed to afford the proper facilities and trained workers through a centrally guided administrative body to wipe from the face of the map this raging disease and menace called juvenile delinquency.

CONSTRUCTION OF HELIPORT WITHIN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1535, Senate Joint Resolution 167.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 167) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BEALL. Mr. President, I ask unanimous consent that a statement explaining the purpose of the joint resolu-

do the same thing with non-Indian people.

There will be every opportunity for those who are not fully trained and who feel they are not competent to manage their own properties to obtain help. There is provision in the bill for guardianships for children and for the few Indians who cannot take care of their own property and manage their own affairs. Proper safeguards are included, and they will receive the protection of the laws of Oregon. They will be fully taken care of. I believe that a great many well-meaning people do not understand this; otherwise, they would not be making so many protests against the so-called termination program.

We find there are some Indians who are so well trained and who understand the complexities of modern life to the point that they do not want to have their trusteeship terminated, because to do so would impose upon them some of the responsibilities of citizenship, as well as the bestowal of blessings. I find that they are just like some of us. They like to get out of paying all the taxes they possibly can. They are clever enough to feel that if by reason of termination they have to assume the duties of citizenship and help to maintain the Government by paying taxes, they would be better off to remain under the guardianship of the United States. Then they will not have to pay taxes on their properties, although they might have to pay them on their incomes.

Mr. NEUBERGER. I thank the Senator from Utah for what he has said about the Klamath Indians and their caliber and citizenship. I believe and hope that to the challenge and responsibility which are involved in S. 3051, the Klamath Indians will respond.

I express my gratitude for the assistance we have received from Commissioner Glenn L. Emmons and Associate Commissioner H. Rex Lee for helping present the legislation to the Senate, developing it, and assisting in its progress to the stage were it is about to be passed here today.

Mr. WATKINS. I thank the Senator from Oregon. I hope the bill will be passed unanimously.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3051) was ordered to be engrossed for a third reading, was read the third time, and passed.

THE ROLE OF THE CHURCH AND COMMUNITY IN REARING YOUTH

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by Peter N. Chumbris, counsel for the minority of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, and former counsel for the United States Juvenile Delinquency Subcommittee, before the Greek Orthodox Youth of America, at St. Nicholas Greek Orthodox Church, in Newark, N. J., on May 4, 1958, on the subject of Juvenile Delinquency.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHURCH AND COMMUNITY, ITS ROLE IN REARING YOUTH

(Remarks by Peter N. Chumbris, counsel for the minority, United States Senate Antitrust and Monopoly Subcommittee, and former counsel for the United States Juvenile Delinquency Subcommittee, before the Greek Orthodox Youth of America, Newark, N. J., May 4, 1958, at St. Nicholas Greek Orthodox Church)

Reverend Father Aloupis, ladies, and gentlemen of GOYA, Bishop Ezekial, of the Chicago diocese Greek Orthodox Church in North and South America, in his appearance before the United States Senate Juvenile Delinquency Subcommittee in 1956, stated:

"I would like to point out the importance of religious convictions and of faith in God to all our citizens. The older ones—and the younger ones—if the older person is not well orientated, if he doesn't have a good philosophy on life, if he doesn't have the principles and faith in a Supreme Authority, in God, then he is not able to guide a child. * * * I would like to urge all people concerned to a missionary work throughout the country for the revival of religious faith and principles and ideals. Also, it is not enough to teach a child.

"Morality cannot be followed without an example. You live the American way of life and the Christian way of life, the religious way of life only if you see it lived in others and in your elders whom you respect."

Bishop Bernard Sheil, of the Roman Catholic diocese of Chicago, at the same hearings, stated:

"The New York Times a few years ago made a very definite contribution when they queried 50,000 high-school students and they found that out of that 50,000 two-thirds of them had never heard of the Ten Commandments. That is rather a shocking thing, when you come to consider it, because here is the law of the ages that gives us the norm whereby we are able to judge of our actions, and yet two-thirds of that 50,000 had never heard that there was such a thing as the Ten Commandments."

As our Lord taught His disciples in His Sermon on the Mount, you, as parents or community leaders, should: "let your light so shine before men that they may see your good works and glorify your Father which is in Heaven" (Matthew 5: 16) and in so doing set the proper example for youth to follow.

At the outset, it would do well to state that the juvenile delinquency problem in the United States is considered the No. 1 social problem. It is most complex and there are many facets of delinquency. The correction of one facet alone will not solve the whole problem.

The Senate Subcommittee To Investigate Juvenile Delinquency which has been holding hearings throughout the United States since the fall of 1953, has written volumes upon volumes of reports on what might be termed the causes and cures of juevnile delinquency. I could not possibly begin to discuss the broad subject of juvenile delinquency within the time allotted, and therefore, my remarks will be confined solely to the role of the church and the community in rearing the youth.

However, to give you a picture of the extensiveness of this problem, I will refer briefly to the significant subjects covered in our hearings:

1. The lack of sufficient expert personnel and facilities to cope with the child that has delinquent tendencies or has reached the state of being a juvenile delinquent or a youthful criminal.

2. Even where there are trained workers and proper facilities, there is a lack of coordination, guidance, and accountability by a central administrative body. State and city youth commissions, if properly operated, could appreciably correct this.

Included in this category are mental hygiene services in schools, proper detention, correctional institution, juvenile court, juvenile police, probation, psychiatric, and family and youth guidance facilities in a given community.

3. The impact of narcotics, liquor or indecent literature on juveniles.

4. The impact of crime and horror comics, crime television shows, and crime movies on youth.

5. Runaway fathers who abandon and fail to support their children.

6. Students dropping out of school and are unable to obtain employment.

7. Slum areas and antisocial conditions that have tendencies to lead youth to delinquency.

8. Youth gangs especially in highly populated areas.

9. Lack of recreational and community centers for youth.

10. Overcrowded classroom conditions and lack of other educational facilities for the youth. Handling of delinquent and incorrigible students in our public schools.

11. Lack of proper welfare and health services to certain youth and the families.

12. Lack of proper religious training in the home and in the community.

13. Lack of parental responsibilities and discipline.

14. Parents who are not qualified to cope with the delinquent propensities of certain youth and who need professional guidance.

15. Black market in baby adoptions.

16. Problems of Indians affecting their youth.

I invite questions in any of the above categories at the end of my remarks. [One hour of questions and answers on many of these topics followed at conclusion of the talk.]

Let us now look to the role of the church and the community in controlling juvenile delinquency. It has been apparent for some time that the mere spending of money or the existence in a community of adequate, although mutually exclusive, services dealing with juveniles does not necessarily mean that a complete and satisfactory job is being done. Therefore, it has been suggested that because of the obvious diffusion of authority among these types of services—public and private—it has become necessary for many cities to develop a plan whereby the activities of all of them can be fruitfully coordinated.

In several cities and States throughout the United States, there have been established effective commissions on youth which have brought together all agencies (both public and private) who are interested in youth, for the purpose of coordinating their efforts for a most effective plan in the proper development of our youth in a given community. In a plan of a city or a State commission on youth there should be a church panel. The suggested plan calls for Protestant, Catholic, Jewish, and Orthodox Christians to be members of that panel and preferably a minister, a priest, a rabbi, and a reverend father to be included.

1. The responsibilities of the church panel would be to study and act in the referral of juvenile delinquents to the care of religious leaders of the church of their choice.

At our hearings before the Juvenile Delinquency Subcommittee in Chicago, Dr. Robert

85TH CONGRESS
2D SESSION

S. 3051

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1958

Referred to the Committee on Interior and Insular Affairs

AN ACT

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath

Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than one hundred years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be

responsible for enforcing such conditions. The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within sixty days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units

or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months

after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States,

which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands pursuant to subsection (b) of this section on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requir-

ing members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the

sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

SEC. 6. No funds distributed pursuant to section 5 of said Act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within six months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject

to the provisions of section 5 (b) of said Act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".

Passed the Senate May 7, 1958.

Attest: FELTON M. JOHNSTON,

Secretary.

85TH CONGRESS
2D SESSION

S. 3051

AN ACT

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

MAY 8, 1958

Referred to the Committee on Interior and Insular Affairs

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1958
For actions of July 8, 1958
85th-2d, No. 113

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HIGHLIGHTS: Rep. Johnson criticized Senate omnibus farm bill. Rep. Reuss charged Public Law 480 disposals injurious to friendly countries. House committee ordered reported Klamath Indian lands bill.

HOUSE

1. FORESTRY. The Interior and Insular Affairs Committee ordered reported with amendment S. 3051, to provide alternatives of either private or Federal acquisition of the Klamath Indian lands which are to be sold under the Termination Act. p. D647

2. FOREIGN TRADE; SURPLUS COMMODITIES. Rep. Reuss charged that the disposal of surplus commodities under Public Law 480 adversely affects the commodity exports of friendly countries, and urged adoption of an amendment to legislation extending the program to express the policy of Congress that reasonable precautions should be taken in administering the program to avoid displacing usual marketings of friendly countries. He inserted his letter to the Secretary of State expressing his concern over this matter, and a letter from the State Department to the House Agriculture Committee stating that in administering the program "it is both in our interest and in the interest of the free world to avoid displacing dollar sales from the United States and disrupting the normal markets of friendly countries," and that a proposed amendment to legislation to extend Public Law 480 which directs the Secretary of Agriculture to barter surplus commodities for certain materials in an amount not to exceed $500 annually "would be very damaging to our relations with a large number of our allies." pp. 11944-45

3. FARM PROGRAM. Rep. Johnson criticized the Senate omnibus farm bill, S. 4071, as abandoning "the entire concept of parity on which our farm programs have been based for nearly 30 years," and stated that the bill "contains the most conservative and backward-looking proposals relating to farm income protection of any advanced in the Congress in more than 30 years," and claimed that if enacted it would result in farm incomes being cut in half. pp. 11958-59

4. ONIONS; COMMODITY EXCHANGES. Rep. Ford urged the Senate to pass H. R. 376, to prohibit the trading in onion futures on commodity exchanges, and expressed concern over the "long delay" in its consideration of the bill. p. 11934

5. APPROPRIATIONS; CLAIMS. Received from the President a supplemental appropriation estimate to pay claims for damages, audited claims, and judgments against the U. S. (H. Doc. 418). p. 11962

SENATE

6. APPROPRIATIONS. H. R. 12858, the civil functions appropriations bill for the Army, certain agencies of the Interior Department, and TVA, for 1959, was made the pending business. p. 11924

7. PERSONNEL ETHICS. Sen. Ives inserted a news release from the New York City Bar committee on conflict of interest laws in the Federal Government. pp. 11897-8

Sen. Morse discussed the relation of campaign contributions to personal gifts to Federal employees and inserted a column, editorials, and his letter to an editor. pp. 11827-30

8. STATEHOOD. Sen. Mansfield commended the signing of the Alaska statehood bill, H. R. 7999, congratulated Del. Bartlett and Gov. Stepovich, and urged statehood for Hawaii. pp. 11898-9

Sen. Allott urged enactment of legislation to admit Hawaii into the Union as a State. pp. 11914-15

Sen. Martin, Pa., explained why he had voted against Alaskan statehood and welcomed Alaska into the Union. pp. 11924-5

9. SALINE WATER. Sen. Case, S. D., inserted two articles on the advances made in the saline water research program. pp. 11900-3

10. ELECTRIFICATION. Sens. Murray, Kefauver, Hill, Neuberger, Morse, and Sparkman commended the work of the late George Judson King on power developments, such as TVA and REA, and Sen. Murray inserted an article on the career of Mr. King. pp. 11907-9

Sen. Langer inserted a resolution of the James Valley Electric Cooperative opposing any increase in REA interest rates. pp. 11895-6

11. INFLATION. Sen. Bennett discussed the problem of inflation as revealed by hearings of the Senate Finance Committee and urged opposition to the view that inflation is inevitable. pp. 11909-13

12. FARM PROGRAM. Sen. Langer inserted a telegram from the officers and directors of the N. D. Farmers' Union opposing S. 4071, the farm bill recently reported by the Senate Agriculture and Forestry Committee, on the grounds that it depends too much on "the so-called free market." p. 11896

14. LEGISLATIVE PROGRAM. Sen. Johnson announced that he expected to bring up the Senate farm bill later in the week, "after the policy committee has cleared it." He further stated that the Defense and foreign aid appropriations bills would be considered next week, and that after certain D. C. bills the Senate would consider S. Res. 264, favoring the establishment of an International Development Ass'n, and H. R. 7576, amending the Federal Civil Defense Act. p. 13112

HOUSE

15. SURPLUS COMMODITIES; FOREIGN TRADE. Debated and noted, 152 to 24, to pass S. 3420, to amend and extend Public Law 480. Rep. Griffiths objected to the vote on the ground that a quorum was not present. At the request of Rep. McCormack, further consideration of the bill was then postponed until Wed., July 23. pp. 13173-197

16. COTTON ALLOTMENTS. Passed without amendment H. R. 12531, to permit the allocation from acreage of extra long staple cotton for the production of extra long staple cotton seed. pp. 13172-73

17. SEED MARKETING. Passed without amendment S. 1939, to make various amendments to the Federal Seed Act regarding labeling requirements. This bill will now be sent to the President. pp. 13167-68

18. FOOT-AND-MOUTH DISEASE. Passed without amendment S. 3076, to authorize the transportation in the U. S. of live foot-and-mouth disease virus for research purposes. This bill will now be sent to the President. p. 13162

19. HOG CHOLERA. Passed without amendment S. 3478, to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus. This bill will now be sent to the President. p. 13163

20. FORESTRY. The Interior and Insular Affairs Committee ordered reported with amendment S. 3051, to provide alternatives of either private or Federal acquisition of the Klamath Indian lands which are to be sold under the Termination Act. p. D710

Passed without amendment H. R. 6542, to authorize the conveyance of certain forest lands to the town of Dayton, Wyo. p. 13162

The Speaker appointed as House members of the National Outdoor Recreation Resources Review Commission, pursuant to Public Law 85-470, Reps. Pfost, Ullman, Saylor, and Rhodes. p. 13247

21. TOBACCO. Passed without amendment H. R. 12840, to provide a single acreage allotment for Va. sun-cured and Va. fire-cured tobaccos if farmers vote approval in a referendum. pp. 13162-63

22. APPROPRIATIONS. Received the conference report on H. R. 11574, the independent offices appropriation bill for 1959 (H. Rept. 2237). As reported the bill deletes $100,000 proposed by the Senate for farm-housing research. pp. 13155-58

Received the conference report on H. R. 13121, to authorize appropriations for the Atomic Energy Commission (H. Rept. 2236). pp. 13243-45

23. AGRICULTURE HALL OF FAME. Passed as reported H. Con. Res. 295, endorsing plans of a non-government group to establish a Hall of Fame for Agriculture. p. 13165

24. FISH AND WILDLIFE. Passed as reported S. 2447, to authorize studies by Interior of the effects of insecticides, herbicides, fungicides and other pesticides upon fish and wildlife. p. 13169

Passed as reported S. 2617, to authorize the purchase by the Secretary of the Interior of wetlands and small areas for migratory stamps. pp. 13169-70

Passed as reported H. R. 13138, to amend the Coordination Act so as to provide more effective integration of fish and wildlife conservation programs with Federal water development programs. pp. 13170-72

25. LANDS. Passed as reported H. R. 11800, to authorize the Secretary to sell a tract of land and buildings thereon under the jurisdiction of ARS to Clifton, N. J. p. 13172

26. SMALL BUSINESS. Passed under suspension of the rules H. R. 13282, the proposed Small Business Tax Revision Act of 1959. pp. 13197-211

27. INFORMATION; LIBRARIES. Passed under suspension of the rules H. R. 13140, to provide for distribution of additional types of Government publications to depository libraries and to provide for designation of additional depository libraries. pp. 13226-28

28. PERSONNEL AWARDS. Debated under suspension of the rules H. R. 488, to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement. At the request of Rep. McCormack further consideration of the bill was postponed until Wed., July 23. pp. 13229-35

29. TRANSPORTATION. A subcommittee of the Merchant Marine and Fisheries Committee ordered reported with amendment H. R. 8382, to provide for the licensing of independent foreign freight forwarders. p. D711

30. MINING CLAIMS. The Interior and Insular Affairs Committee ordered reported with amendment S. 3199, to specify the period for doing annual assessment work on unpatented mineral claims. p. D710

31. COMMITTEE ASSIGNMENTS. Rep. Kilgore resigned from the Public Works Committee and was elected to the Interstate and Foreign Commerce Committee; and Rep. Young, Tex., resigned from the Post Office and Civil Service Committee and was elected to the Public Works Committee. pp. 13242-43

32. WATERSHEDS. Received from the Budget Bureau plans for works of improvement for the lower Willow Creek watershed, Mont., Whitegrass-Waterhole Creek watershed, Okla., and Little Schuylkill River watershed, Pa.; to Public Works Committee. p. 13255

ITEMS IN APPENDIX

33. ELECTRIFICATION. Extension of remarks of Sen. Neuberger inserting an editorial endorsing the proposed establishment of a Regional Power Corporation in the Columbia River Basin. pp. A6493-4

34. FARM PROGRAM. Extension of remarks of Rep. McGregor stating that "...the time has arrived that we recognize the serious predicament in which the farmer finds himself. It is time that we give some consideration to the rotation crop farmer." pp. A6496-8

35. LIVESTOCK. Sen. Jackson inserted two editorials criticizing the delay and failure by the Senate in not passing the humane slaughter bill which has been passed by the House. p. A6499

July 25, 1958

livestock. He also stated that there would be a call of the calendar Monday, July 28. p. 13861.

6. ADJOURNED until Mon., July 28. p. 13880

HOUSE

7. AGRICULTURE COMMITTEE ordered reported the following bills:
   H. R. 11056, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, and nuts;
   H. R. 13268, to authorize CCC to purchase flour and cornmeal for donation instead of having such products processed from its own stocks;
   S. 479, to grant a 50-year right-of-way for a water pipeline across the Lincoln National Forest, N. M.;
   S. 1245, to provide a right-of-way to the city of Alamogordo, N. M., across the Lincoln National Forest, N. M.; and
   S. 3439, to reconvey to Salt Lake City the Forest Service Fire Warehouse lot in that city. p. D736

8. WATERSHED PROJECTS. The Agriculture Committee approved the following watershed projects: Mill Creek, Ga.; Obion Creek, Ky.; Muddy Creek, Miss. and Tenn.: Adobe Creek, Calif.; Buena Vista Creek, Calif.; Central Sonoma Creek, Calif.; Upper Nanticoke River, Ill.; Donaldson Creek, Ky.; Mud Creek, Neb.; Coon Creek, Wis.; Peavine Mountain Creek, Nev.; and Indian Creek, Miss. p. D737

9. FORESTRY. The Interior and Insular Affairs Committee reported with amendment S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian Forest which must be sold (H. Rept. 2278). p. 13897

10. FOOD ADDITIVES. The Interstate and Foreign Commerce Committee ordered reported H. R. 13254, to prohibit the use of food additives which have not been adequately tested to establish their safety. p. D738

11. LEGISLATIVE PROGRAM. Rep. McCormack announced that on Tues., July 29, the House will consider S. 3051, the Klamath forest bill, and S. 3817, to encourage mining through direct payments to producers; and that on Wed., July 30, the only programmed bill will be H. R. 9020, to amend the Packers and Stockyards Act to transfer jurisdiction over certain transactions from USDA to FTC, but that other bills might be taken up if rules could be secured from the Rules Committee, including housing, distressed areas redevelopment, and community facilities bills. pp. 13887-8

12. ADJOURNED until Mon., July 28. p. 13891

ITEMS IN APPENDIX

13. ETHICS. Rep. Bennett inserted the code of ethics for Government service adopted as the intent of Congress on July 11, and also inserted the report of the Senate committee on the measure. pp. A6705-7

14. FOREIGN AID. Sen. Jenner inserted an editorial criticizing the expenditure of mutual security funds in the Near East and South Asia in the last 10 years as a failure. p. A6696

15. FORESTRY. Sen. Dworshak inserted an editorial criticizing the proposed wilderness bill as an attempt to freeze Idaho's progress by preventing the development of wilderness areas. p. A6697

Rep. Avery inserted an editorial commending the Outdoor Recreation Resources study authorized by Congress. p. A6701

Rep. Ullman inserted a column on the need for an inventory of our shrinking outdoor recreational facilities. p. A6710

16. FOOD ADDITIVES. Rep. Dingell inserted an editorial opposing enactment of H. R. 9521, to eliminate the present requirement for labeling fresh produce to indicate whether post-harvest chemicals are used. p. A6707

BILLS INTRODUCED

17. ACREAGE ALLOTMENT. S. 4189, by Sen. Capehart, to amend the Agricultural Adjustment Act of 1938, as amended, to provide for additional allotments when an allotment crop has been entirely lost or destroyed because of a natural disaster; to Agriculture and Forestry Committee. Remarks of author. p. 13737

18. POSTAL RATES. S. 4191, by Sen. Monroney, to maintain existing minimum postage rates on certain publications mailed in the county of publication; to Post Office and Civil Service Committee. Remarks of author. pp. 13737-8

19. SEED. S. 4188, by Sen. Magnuson (by request), and H. R. 13545, by Rep. Pelly, to amend the Federal Seed Act so as to permit the importation screenings of rape/seed and mustard seed; to S. Agriculture and Forestry Committee and H. Agriculture Committee.

20. FLOOD CONTROL. S. 4192, by Sen. Sen. Johnson, Tex., authorizing the project for modification of the plan for improvement of the Trinity River and tributaries, Tex.; to Public Works Committee. Remarks of author. p. 13880

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COMMITTEE HEARINGS ANNOUNCEMENTS:

July 28: Sale or exchange of forest land in Pima County, Ariz., S. Interior (Crafts, FS, to answer questions).
USDA supplemental appropriations, S. Appropriations.
H. Agriculture subcommittee on Cotton and Rice (exec).
Minerals stabilization payments, H. Interior.

oOo

For supplemental information or copies of legislative material referred to, call Ext. 4654 or send to Room 105-A.

85TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2278

AMENDING THE ACT TERMINATING FEDERAL SUPERVISION OVER THE KLAMATH INDIAN TRIBE BY PROVIDING IN THE ALTERNATIVE FOR PRIVATE OR FEDERAL ACQUISITION OF THE PART OF THE TRIBAL FOREST THAT MUST BE SOLD

JULY 25, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HALEY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3051]

The committee on Interior and Insular Affairs to whom was re-referred the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following language:

That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

SEC. 28. Notwithstanding the provisions of section 5 and 6 of the Act of August 13, 1954 (68 Stat. 718), and all Acts amendatory thereof,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and

the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) Within sixty days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest and mineral values. Not less than thirty days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the Eighty-fifth Congress and the termination date specified in subsection 6 (b) of this Act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this Act prior to April 1, 1959.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (d) of this

section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

"(*g*) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

"(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this Act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the Act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this Act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes."

SEC. 3. No funds distributed pursuant to section 5 of the Act of August 13, 1954, as amended, to members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the sixty-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the Act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following review of the appraisal of the tribal property.

SEC. 6. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 7. The second proviso of subsection 5 (a) (3) of said Act, as amended, relating to Indian preference rights, is further amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to

withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 8. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act, as amended."

SEC. 9. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), as amended, shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within eighteen months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said Act of August 13, 1954, as amended.

SEC. 10. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".

SEC. 11. Subsection 8 (b) of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by changing the colon to a period and by deleting the following language: "*Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than ten years."

The principal purposes of S. 3051, as amended, are to provide for a review of the appraisal of the real property assets of the Klamath Indian Tribe heretofore made under the Klamath Termination Act of August 13, 1954; to provide with more certainty and clarity than the law now does the price at which and the conditions under which those assets which must be disposed of to reimburse withdrawing members of the tribe shall be offered for sale; to assure continued management of the Klamath Forest so as to yield a continuous supply of timber; to provide for Federal acquisition of the Klamath Marsh as a wildlife refuge; and to provide for Federal acquisition of such of the Klamath Forest units as are not retained by the tribe or purchased by private parties.

BACKGROUND OF THE LEGISLATION

The act of August 13, 1954 (68 Stat. 718), provided for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof. Section 5 of the law authorized the Secretary of the Interior to select and contract with qualified management specialists to perform the following duties:

1. Cause an appraisal to be made of all tribal property showing its fair market value by practical logging or other appropriate economic units.

2. Give each adult member of the tribe an opportunity either to withdraw from the tribe and have his interest in tribal property converted into money and paid to him or to remain in the tribe and participate in a management plan.

3. Determine and select the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interests converted into money,

arrange for the sale of such property, and distribute the proceeds of sale among the members entitled thereto.

4. Cause a plan to be prepared in form and content satisfactory to the tribe and to the Secretary for the management of tribal property retained by those persons who remain in the tribe.

An election held on April 21, 1958, pursuant to section 5 of this act revealed that 1,659 or nearly 78 percent of the 2,113 enrolled members of the Klamath Tribe wished to withdraw from the tribal organization and receive a cash payment for their proportionate share of the tribal assets. Of the remaining 474 enrolled members, 80 executed valid ballots to remain in the tribal organization. The other 394 did not vote and will therefore retain tribal membership by default.

The forests of the Klamath Reservation contain approximately 4.5 billion board-feet of tribally owned ponderosa and sugar pine and 1.8 million cords of pulp. The areas classed as commercial timberland comprise 665,000 acres. This tribal forest, which has been operated under sustained-yield management for many years, represents approximately 90 percent of the assets of the Klamath Indians. The total reservation map-measured acreage consists of 861,125 acres consisting of 693,997 acres of commercial and noncommercial forest, 127,938 acres of open range, 23,421 acres of marsh, 14,524 acres of brush, barren, or wasteland, and 1,245 acres of farmland.

STOPGAP LEGISLATION

Early in the 85th Congress, bills were introduced for the primary purpose of delaying the sales of tribal property belonging to the members of the Klamath Tribe until Congress had time to consider alternative means of protecting the economy and preserving good conservation practices in the Klamath Basin. Under Public Law 85–132, the sales of tribal property was postponed until the end of the second session of the present Congress. In addition, the date for the final termination of Federal trusteeship over the Klamath Indians was advanced to August 13, 1960, so that if no further legislative action were taken, the sales of tribal property could be arranged at times and in quantities which, it was hoped, would not unreasonably depress the timber market.

HISTORY AND JUSTIFICATION OF THE PRESENT BILL

During the 2d session of the 85th Congress, H. R. 9737 and H. R. 10375 were introduced by Representatives Ullman and Aspinall, respectively, to amend the Klamath Termination Act of 1954 and to provide for the disposition of the property belonging to the Klamath Indians. H. R. 9737 provided for Federal acquisition of the Klamath property and for establishing the timberlands as a national forest. H. R. 10375 (S. 3051) was introduced by Mr. Aspinall at the request of the Secretary of the Interior and is basically the legislation under consideration.

The Committee on Interior and Insular Affairs held extensive hearings on Klamath termination problems during 1956, 1957, and 1958. A special subcommittee visited the reservation during October 1957. Testimony and firsthand study have revealed concern on the part of

the Federal officials, State and local officials, conservationists, lumber interests, and segments of the Indian population over the workability and results of the Klamath Termination Act of 1954 in its present form. Of particular interest to the committee members are statistics prepared by the appraisers and the results of the election. In order to satisfy claims of the 1,659 withdrawers, it is estimated that the act of August 13, 1954, would require the sale of approximately 3 billion board-feet of pine timber and 1,400,000 cords of pulpwood during a period of 1 year or less. Under the terms of existing law, in other words, most of the Klamath forest would have to be placed on the auction block in order to satisfy the demands of these Indians. Such sales, it is believed, would glut the timber market in the Klamath Basin, bring greatly reduced stumpage prices to the Indians, and virtually destroy a forest which is capable of furnishing millions of board-feet of timber annually under scientific management.

Not only does the Klamath Reservation embrace the finest stand of ponderosa pine in the world, but its forest is outstandingly important to the entire Klamath River Basin. Rapid cutting of the timber would affect the water-holding capacity and runoff characteristics of the watershed upon which downstream areas are dependent for domestic water, irrigation, fisheries, and power. Under scientific management of the forest, these areas will be protected and there will be a generous harvest of timber for generations.

The reservation also contains the Klamath Marsh of some 15,967 acres. The marsh is presently the breeding, feeding, and nesting ground for countless numbers and numerous species of migratory birds traveling the Pacific flyway. In addition, several hundred head of cattle are grazed on grassland lying between the high- and low-water levels of the marsh. Under S. 3051, as amended, title to the marsh will be taken by the Federal Government and added to the refuge system maintained and operated by the United States Fish and Wildlife Service under the act of March 16, 1934 (48 Stat. 451), as amended and supplemented. Under the act of August 13, 1954, however, the marsh is one of the resources that would be converted into cash to satisfy the demands of the withdrawing members. The bill under consideration will prevent the ownership of the Klamath Marsh from passing into the hands of private owners who would have little or no interest in maintaining a refuge.

The realization value of the Klamath Reservation timberland, marshland, buildings, grazing and farming units, cash and personal property, and forest units if sold without scientific management covenants has been appraised at $121,239,958. Question has been raised whether this figure adequately reflects possible mineral, water rights, and site values. Without itself expressing any opinion on this matter, the committee feels justified in providing for a review of the appraisal in order to be sure that all reasonably ascertainable elements of land, forest, and mineral values have been or are taken into consideration.

S. 3051, as amended, assures private enterprise full opportunity to acquire a share of this valuable property at its realization value as determined after the review just mentioned or at whatever greater price competitive bidding may produce. It requires that the forest units that are sold be operated under scientific management to assure a continuous supply of timber. In other words, instead of allowing the timberland to be offered in rather small units without requiring

the use of scientific harvesting methods, as permitted under present law, the bill, as amended, provides for the establishment of units better adapted to the continuous supply principle. The Secretaries of the Interior and Agriculture will prepare specifications and minimum requirements for scientific management to insure wise timbering operations. Provision is made for the acquisition by the Forest Service of any units which are not disposed of to private parties. A maximum of $90 million is authorized to be appropriated for the Federal acquisition of forest lands and marshlands.

It is the belief of the committee that these provisions, taken together, afford reasonable protection to the withdrawing members of the tribe, to the United States, to the lumber industry in the Pacific Northwest and, more particularly, in the State of Oregon, and to all who are interested in maintenance of the Klamath watershed and the Pacific flyway. The committee has taken into consideration the requirement of existing law which specifies prompt realization of the cash value of part of the tribal assets for payment to the withdrawing members. It is fully conscious of the duties of the United States as a trustee for the Indians and has sought earnestly to reconcile these duties with the Congress' other duties to the welfare of present and future generations in the area and in the country as a whole.

SECTIONAL ANALYSIS

Section 1 of the committee amendment adds a new section 28 to the Klamath Termination Act. Subsection (a) provides that the Secretary of the Interior and the Secretary of Agriculture shall jointly define the boundaries of the Klamath Forest and Klamath Marsh.

Subsection (b) provides that the units of the Klamath Forest that must be sold to pay withdrawing members of the tribe shall be offered for sale, on the basis of competitive bids, to purchasers who agree to manage them in a manner which, as far as practicable, will furnish a continuous supply of timber. Plans to be followed by the purchaser are to be prepared and submitted by them to the Secretary of Agriculture for approval. The specifications and minimum requirements as well as the designation of the units for sale are to be made jointly by the Secretary of the Interior and the Secretary of Agriculture. The submitted plans are to be incorporated into the conveyancing instruments which will provide for a forfeiture and reversion of title in the event of a violation of the requirements. In the event of reversion of title, the lands in question will become national forest lands. The subsection also provides that no sale shall be at less than the realization value of the units as determined under subsection (c).

Subsection (c) provides that within 60 days after the act becomes effective a review of the appraisal heretofore made shall be made by three qualified appraisers selected by the Secretary of the Interior. The cost of the appraisal review will be reimbursable to the tribe. The review will give full consideration to all reasonably ascertainable elements of land, forest, and mineral values. Each of the three appraisers will estimate the amount that would be realized if all the lands to be offered for sale were sold between the adjournment of the 85th Congress and the termination date for the tribe. In the event of disagreement among the appraisers, this realization value will be determined by taking an average of the three. The review is to be

completed by January 15, 1959, and submitted to the Congress. Finally, subsection (c) provides that no sale of forest units comprising the Klamath Indian Forest as designated pursuant to subsection (a) shall be made before April 1, 1959.

Subsection (d) provides that if the forest units offered for sale are not sold by July 1, 1961, the Secretary of Agriculture shall take title to as many of the unsold units as, together with the Klamath Marsh lands, have an aggregate realization value of not more than $90 million. This sum is the maximum amount payable for lands acquired by the United States under the act. Lands not sold to private purchasers will become national forest lands.

Subsection (e) provides that, if any of the forest lands retained by the tribe are later offered for sale to others than members of the tribe, the Secretary of Agriculture must be given the right of first refusal, and he is authorized to buy them for addition to the national forest system.

Subsection (f) provides that title to the Klamath Marsh lands will be taken by the United States on July 1, 1961, and administered as the Klamath Forest National Wildlife Refuge.

Subsection (g) provides that any legally enrolled Klamath Indian who is occupying a homesite on forest or marsh lands acquired by the Secretary of Agriculture or Secretary of the Interior will be entitled to continue to occupy a reasonable acreage of the homesite.

Subsection (h) provides that if any lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract the Secretary of Agriculture will be responsible for administering the contract.

Subsection (i) provides that any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its assigns to use any roads thereon.

Section 2 amends section 4 of the 1954 act to provide that property subject to inheritance or bequest after August 13, 1954, and prior to the transfer of title to tribal property under the act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes.

Section 3 provides that no funds distributed pursuant to section 5 of Public Law 587 to tribal members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of, or amendments to, the Klamath Termination Act.

Section 4 directs the Secretary of the Interior to terminate his contract with the management specialists by giving immediately the 60-day notice required by paragraph 18 of the contract. Upon termination of the management specialists contract, their duties will be performed by the Secretary.

Section 5 provides that nothing in the act will affect provisions of existing law with respect to withdrawing from or remaining in the tribe following review of the appraisal of the tribal property.

Section 6 repeals a proviso in the act of August 13, 1954, which requires that funds payable to the withdrawing members be distributed as each $200,000 accumulates. This proviso tends to cause a dissipation of the tribal funds and interferes with the establishment of guardianship and trusts for the Indians who need assistance.

Section 7 clarifies the present preference right of any Klamath Indian to buy tribal lands that are offered for sale by spelling out the

portions of the amounts due him as a withdrawing member which a withdrawing Indian may apply toward such purchase.

Section 8 provides that if the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary may adopt a management plan. This provision remedies a hiatus that exists in the present law.

Section 9 authorizes the Secretary of the Interior to transfer tribal cemeteries to an organization to be established by the tribe. If the tribe does not establish such an organization within 18 months following the enactment of this act the Secretary of the Interior is authorized to do so.

Section 10 amends section 6 (b) of the Termination Act, as amended, to provide that the final termination date for the Klamath Tribe shall be August 13, 1961, instead of August 13, 1960.

Section 11 amends section 8 (b) of the Termination Act, as amended, by deleting the sentence restricting the transfer of subsurface rights.

MAJOR AMENDMENTS TO S. 3051

In working through S. 3051, several changes of importance were made by the Committee on Interior and Insular Affairs. An explanation of the more important of these follows:

S. 3051 was amended in subsection (b) of the new section 28 to provide that the purchasers of the Klamath Forest would manage the forest lands "as far as practicable so as to furnish a continuous supply of timber" instead of according to "sustained yield" plans "for not less than 100 years." In adopting this amendment the committee recognizes that the act of June 4, 1897 (30 Stat. 11, 35, 16 U. S. C. 475), provides that one of the purposes for which the national forests are established is "to furnish a continuous supply of timber." This is a guiding conservation principle under which the national forests have been managed since 1897. The committee also believes it appropriate to use the adopted language to describe the purposes for which tribal forest lands will be managed by the purchasers under plans prepared by the purchasers and approved by the Secretary of Agriculture. Finally the committee wishes to make it clear that it does not wish to impose more stringent requirements for management of these forest lands than on other national forest areas. S. 3051, as passed by the Senate, provided for sustained yield management for 100 years. As amended the bill removes reference to the 100 years and will insure scientific forest management in perpetuity.

S. 3051 also was amended by adding a new subsection to provide for a review of the appraisal of the forest units and marshland selected for sale pursuant to the Klamath Termination Act. The amendment spells out the procedures to be followed in making the review and the elements of value to be considered. The committee takes cognizance of the complaint that the management specialists failed to include in their appraisal all economic resources of the Klamath Reservation in spite of specific instructions to do so in earlier hearings on this and related legislation.

This amendment also provides that forest units comprising the Klamath Indian Forest shall not be sold before April 1, 1959. Under this amendment immediate sales of timber from the fringe areas,

including 93 million board-feet already advertised for sale within the next few months, will be permitted in order to meet requirements for sawtimber by local mills and to furnish funds for current per capita payments to tribal members. Lands and timber outside the Klamath Indian Forest and the Klamath Marsh can also be sold.

Subsection (d) of the new section 28 was amended to provide an additional 6 months to offer the forest units for sale to private purchasers and subsection (f) was amended to provide a 6-month extension of time before which the United States will take title to the Klamath Marsh. These extensions of time are necessary because of the delay imposed by the appraisal review.

Section 2 was adopted at the request of the withdrawing members. The new section provides that property which becomes subject to inheritance or bequest and which is inherited or bequeathed after the enactment of the Klamath Termination Act and before the transfer of title to tribal property under section 6 of the Termination Act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes. The property is already exempted from State and Federal income taxes. The committee was advised that over 100 enrolled tribal members have deceased since the enactment of the Termination Act.

The bill was amended by adding section 4 which provides for termination of the contract between Secretary of the Interior and the management specialists and the assignment of their uncompleted duties to the Secretary. The committee has previously expressed disappointment in the work of the management specialists.

Section 11 was adopted at the request of the Secretary of the Interior. Existing language was included in Public Law 587, to insure that minerals in the allotted lands would not be alienated for a period of 10 years during which time an opportunity would be afforded for ascertaining whether there were minerals of commercial value.

Carrying out this plan has been beset by two difficulties. First, with respect to lands or interests in lands that Klamath Indians may own and that are located outside the reservation or are located in other States, it will be impossible to identify the lands and interests therein before the final termination date. Secondly, insofar as the State of Oregon is concerned, the uncertain tax status of the minerals if they are severed from surface ownership and placed in a trust will make it impossible to find a private trustee to serve for a nominal consideration, and funds are not available to pay a substantial fee.

In this respect the committee members were told the mineral estate when severed from the surface estate would be subject to a nominal tax of $5 per unit, regardless of size, plus a filing fee, but that if minerals should be discovered on adjacent areas, the mineral estate placed in trust might become subject to substantial taxation. Under these circumstances, the cost of establishing the trust might be as much as $25,000. Many of the allottees will not have funds to contribute to such fee or will be unwilling to make the contribution; thus, the fee would have to be paid by the Federal Government. Funds are not available for that purpose.

So far as minors and incompetent individuals are concerned, all of their property will be placed in a private trust pursuant to section 15 of the act, and that trust can handle the mineral estate as well as the

surface estate. In the case of competent individuals, they will be given an accounting report of their real property before the final termination date, and they will be advised to reserve their minerals if they should decide to sell their land and the reservation would not affect the sale price.

It is obvious to committee members that an amendment to extend the final termination date is necessary and that other corrective measures incorporated with S. 3051, as amended, are desirable in order to implement the Termination Act in a manner that will safeguard the interests of the Indians and the community in which they live.

DEPARTMENTAL REPORTS

The executive communication from the Secretary of the Interior, dated January 13, 1958, addressed to the Speaker of the House of Representatives, is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 13, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Enclosed herewith is a draft of a proposed bill entitled "A bill to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes."

We recommend that the proposed bill be referred to the appropriate committee for consideration, and we recommend that the bill be enacted.

The purpose of the bill is to assure the continued sustained-yield management of the part of the Klamath Indian Forest that must be sold in order to pay the members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

Congress has determined by the Termination Act of August 13, 1954 (68 Stat. 718), that a continuation of the Federal trust over the property of the Klamath Indians would not be in the best interest of the Indians. The essence of the Termination Act is that the Klamath Indians shall be freed of all Federal restraints applicable to them because of their Indian origin, and that they shall be placed in the same status as all other citizens, subject to no special restrictions or rights. As would be the case in any group, however, certain individuals may not be qualified to handle a large capital asset with reasonable prudence, and the 1954 statute requires the Secretary of the Interior to safeguard the interests of these individuals, before terminating the Federal trust, by arranging for the appointment of guardians through the State courts or by such other means as he deems adequate, which could include the establishment of individual private trusts for them.

Another basic feature of the Termination Act is the provision that each member of the tribe shall be given an opportunity to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him. Those members who remain in the

tribe will participate in a tribal management plan for the residual tribal assets.

The need for further legislation arises from the fact that a large percentage of the members of the tribe is expected to withdraw from the tribe, which will require a large part of the forest to be sold in order to pay the withdrawing members their proportionate share of the tribal assets. If such sales are made under the present law a large part of the forest will not be continued under sustained yield management.

The conservation of this timber resource is of primary importance to the economy of the area and to the welfare of the public generally. In recognition of this fact, Congress has deferred any sales of tribal forest lands until after the end of the second session of the 85th Congress in order that further legislation may be considered.

The manner in which the Klamath Indian Forest is managed in the future will have a vital impact on the life and economy of the entire Klamath River Basin. If it is kept intact and managed according to sustained yield principles, the forest will remain a perpetually productive source of ponderosa pine and other commercial species. Such management will also assure continuation of its important function as a watershed. The large numbers of migratory waterfowl for which it now provides nesting and feeding grounds will be protected, as will the deer and other species of wild animals that now find sanctuary within its boundaries. Further development of the forest's recreational potential will also be made possible.

If sustained-yield management is abandoned and the forest is broken up and disposed of in small individual tracts, all these values soon may be lost.

The likelihood of the forest's being dissipated in this fashion is a matter for genuine concern.

The tremendously disruptive influence that rapid cutting of the Klamath Forest would have on the economy of the area is not difficult to contemplate when it is realized that 40 percent of the area's economy is based on timber production, and that the Indian timber includes about 26 percent of the total commercial forest area and 26 percent of the sawtimber volume in Klamath County.

Other values of the forest, while less tangible than timber, are of significant importance and must be considered in the public interest.

In the fall, waterfowl by the millions, following the Pacific flyway, pour into the Upper Klamath Basin to rest and feed before continuing southward to their wintering grounds. The marsh on the Klamath Reservation is the most important marsh to waterfowl that is left unprotected in the nation. This nesting area has been one of the mainstays in keeping up the supply of redheads, canvasbacks, and ruddy ducks in the Pacific flyway. Deer and other wild creatures also find year-round habitat in the forest.

The influence which the Klamath Reservation Forest has in reducing flood crests and stabilizing the flow of streams throughout the year is a contributing reason for preventing the timber from being cut to the minimum specifications of the State law. Approximately 303,000 acres of irrigated farmlands are dependent on streams that head on the forest slopes of the Klamath Basin.

The maximum development of waterpower on the Klamath River cannot be realized without the protection of its headwaters. A large

part of the extensive water resource of the Klamath Basin originates in the many large springs found on reservation lands. Rapid cutting of the Klamath Reservation Forest well might jeopardize the farm production and the waterpower developments dependent on the watershed protection provided by this forest.

Furthermore, denuding this area of its forest cover would destroy its scenic and recreational appeal, and the slash left from hurry-up logging operations would tend to increase the fire hazard.

When it is considered that this 745,280-acre tribally owned forest area, described as one of the finest of its type, now is contributing so vitally to the general welfare of the Klamath River Basin and to the Nation it must be concluded that any action that would in the long run diminish or eliminate those benefits should be avoided.

This Department believes that only through sustained-yield management of the forest can its timber, water, wildlife, and recreational resources be maintained. It is generally conceded that much of the area will not be continued under sustained-yield management if it is sold under the present law.

Federal acquisition of the part of the forest that must be sold, and payment to the Indians of the full amount they could expect to receive if the forest lands were sold under the present Termination Act, would accomplish the conservation objective without infringing the rights of the Indians. Before authorizing Federal acquisition, however, we believe that private industry should be given an opportunity to acquire the land, at the same price, subject to an enforceable contractual agreement to follow sustained-yield management practices.

There are two major difficulties to this approach. One is that Federal enforcement of a sustained-yield agreement will present administrative problems. These will be minimized if the lands that are to be sold are offered for sale in a comparatively small number of units, for example, 10 to 15, containing relatively large acreages. The other is the possibility that private industry may not be willing to pay the full market value of the land if it is subjected to a sustained-yield requirement. This fact can be ascertained only by making the offer. If private industry is not willing to purchase under these circumstances, then this Department recommends Federal purchase of the lands.

If the forest lands cannot be sold to private industry under the plan proposed, Federal acquisition would be in accord with the conservation program vigorously pursued by President Theodore Roosevelt a half century ago. In his annual message to Congress dated December 3, 1901, as quoted in 103 Congressional Record 1257, he said:

"The forest reserves will inevitably be of still greater use in the future than in the past. Additions should be made to them whenever practicable, and their usefulness should be increased by a thoroughly businesslike management."

In a letter dated August 24, 1906, as quoted in 103 Congressional Record 1258, to Gifford Pinchot, President Roosevelt said:

"The forest policy of the administration * * * is based * * * on the vigorous purpose to make every resource of the forest reserves contribute in the highest degree to the permanent prosperity of the people who depend upon them. If every the time should come when the western forests are destroyed, there will disappear with them the prosperity of the stockman, the miner, the lumberman, and the

railroads, and most important of all, the small ranchman who cultivates his own land. I know that you are with me in the intention to preserve the timber, the water, and the grass by using them fully, but wisely and conservatively. We propose to do this through the freest [sic] and most cordial coopcration between the Government and every man who is in sympathy with the policy, * * *."

The bill which we recommend can be summarized as follows:

1. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest and the tribal marsh.

2. The Indians who elect to stay in the tribe will keep the part of the forest that is allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law. The proposed management plan provides for sustained yield management.

3. The rest of the forest that must be sold on behalf of the withdrawing members will be offered in appropriate units for private purchase—

(*a*) at not less than the appraised realization value;

(*b*) subject to sustained yield requirements that are enforceable by a forfeiture and reversion of title in the event of a violation of the requirements. Enforcement could also be obtained by injunction in appropriate cases.

Realization value is the amount for which the lands could be sold on the open market prior to the termination date, without limitation on use, if as much as 70 percent of the forest were offered for sale. If 70 percent of the Indians elect to withdraw, that is the maximum amount they could expect to receive under the present law. The Indians cannot be required to take less.

4. The Secretary of Agriculture will purchase at the realization value any of the forest units not purchased by private industry that are suitable for national forest administration. Any units that are not purchased by private industry or by the Secretary of Agriculture will be sold by the Secretary of the Interior under the Termination Act. Any purchase by the Secretary of Agriculture will occur on or about January 1, 1960, which should permit the termination program to be completed by August 13, 1960, as required by present law.

5. If any of the forest lands retained by the tribe are later offered for sale, the Secretary of Agriculture must be given the right of first refusal, and he is authorized to buy them for addition to the national forest system.

6. The Secretary of the Interior will buy the marsh at its realization value, effective January 1, 1960, and it will become a national wildlife refuge.

7. Any Klamath Indian who is occupying a homesite on forest land acquired by the Secretary of Agriculture will be entitled to continue to occupy a reasonable acreage of the homesite under regulations of the Secretary of Agriculture.

8. If lands acquired by the Secretary of Agriculture are subject to an outstanding timber sales contract, the Secretary of Agriculture will be responsible for administering the contract.

9. Any tribal lands that are sold, both forested and nonforested lands, will be sold subject to the right of the United States and its

assigns to use any roads thereon. This provision is designed to assure adequate access to national forest lands and to any other lands that may be sold subject to sustained yield management requirements enforcible by the Secretary of Agriculture.

10. If the members who elect to remain in the tribe and the Secretary of the Interior fail to agree upon a management plan for the residual tribal assets, the Secretary is authorized to adopt a management plan. This provision remedies a hiatus that exists in the present law.

11. The present requirement that funds payable to withdrawing members be distributed as each $200,000 accumulates is repealed because it will tend to cause a dissipation of the funds and to interfere with the establishment of guardianships and trusts for the Indians who need assistance.

12. The present preference right of any Klamath Indian to buy tribal lands that are offered for sale is clarified by spelling out the precise manner in which a withdrawing Indian may apply toward the purchase price the amounts due him as a withdrawing member. The present law is not clear in this respect.

We are not able to estimate at the present time the amount of the Federal appropriation that may be necessary to carry out the provisions of the bill. The amount will depend upon the number of members who elect to withdraw from the tribe, and upon the willingness of private industry to purchase tribal forest lands at their realization value and subject to sustained yield management reqirements. Any Federal funds required will need to be appropriated in fiscal year 1960. Such expenditure is not expected to require the employment of any additional employees by this Department.

The Secretary of Agriculture concurs in our recommendation that the enclosed bill be enacted.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

FRED A. SEATON, *Secretary of the Interior.*

A BILL To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or pur-

chasers who agree to manage the forest lands for not less than 75 years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of-such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on

the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1960. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administra-

tion of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (c), and 28 (e) of this Act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

The committee on Interior and Insular Affairs recommends favorable action on S. 3051, as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 13, 1954 (68 STAT. 718), AS AMENDED

That the purpose of this Act is to provide for the termination of Federal supervision over the trust and restricted property of the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and of the individual members thereof, for the disposition of federally owned property

acquired or withdrawn for the administration of the affairs of said Indians, and for a termination of Federal services furnished such Indians because of their status as Indians.

SEC. 2. For the purposes of this Act:

(a) "Tribe" means the Klamath Tribe of Indians consisting of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

(b) "Secretary" means the Secretary of the Interior.

(c) "Lands" means real property, interests therein, or improvements thereon, and include water rights.

(d) "Tribal property" means any real or personal property, including water rights, or any interest in real or personal property, that belongs to the tribe and either is held by the United States in trust for the tribe or is subject to a restriction against alienation imposed by the United States.

(e) "Adult" means a person who is an adult according to the law of the place of his residence.

SEC. 3. At midnight of the date of enactment of this Act the roll of the tribe shall be closed and no child born thereafter shall be eligible for enrollment: *Provided*, That the tribe shall have a period of six months from the date of this Act in which to prepare and submit to the Secretary a proposed roll of the members of the tribe living on the date of this Act, which shall be published in the Federal Register. If the tribe fails to submit such roll within the time specified in this section, the Secretary shall prepare a proposed roll for the tribe, which shall be published in the Federal Register. Any person claiming membership rights in the tribe or an interest in its assets, or a representative of the Secretary on behalf of any such person, may, within ninety days from the date of publication of the proposed roll, file an appeal with the Secretary contesting the inclusion or omission of the name of any person on or from such roll. The Secretary shall review such appeals and his decisions thereon shall be final and conclusive. After disposition of all such appeals, the roll of the tribe shall be published in the Federal Register, and such roll shall be final for the purposes of this Act.

SEC. 4. Upon publication in the Federal Register of the final roll as provided in section 3 of this Act, the rights or beneficial interests in tribal property of each person whose name appears on the roll shall constitute personal property which may be inherited or bequeathed, but shall not otherwise be subject to alienation or encumbrance before the transfer of title to such tribal property as provided in section 6 of this Act without the approval of the Secretary. Any contract made in violation of this section shall be null and void. *Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this Act shall not be subject to State or Federal inheritance, estate, legacy or succession taxes.*

SEC. 5. (a) The Secretary is authorized and directed to select and retain by contract, at the earliest practicable time after the enactment of this Act and after consultation with the tribe at a general meeting called for that purpose, the services of qualified management specialists who shall—

(1) cause an appraisal to be made, within not more than twelve months after their employment, or as soon thereafter as practicable, of all tribal property showing its fair market value by practicable logging or other appropriate economic units;

(2) immediately after the appraisal of the tribal property and approval of the appraisal by the Secretary, give to each member whose name appears on the final roll of the tribe an opportunity to elect to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in the tribal management plan to be prepared pursuant to paragraph (5) of this subsection; in the case of members who are minors, persons declared incompetent by judicial proceedings, or deceased, the opportunity to make such election on their behalf shall be given to the person designated by The Secretary as the person best able to represent the interests of such member: *Provided, however,* That any member, or any heir or any devisee of any deceased member, for whom the Secretary has so designated a representative may (on his own behalf, through his natural guardian, or next friend) within one hundred and twenty days after receipt of written notice of such secretarial designation, contest the secretarial designation in any naturalization court for the area in which such member resides, by filing of a petition therein requesting designation of a named person other than the secretarial designee, and the burden shall thereupon devolve upon the Secretary to show cause why the member-designated representative should not represent the interests of such member, and the decision of such court shall be final and conclusive.

(3) determine and select the portion of the tribal property which if sold at the appraised value would provide sufficient funds to pay the members who elect to have their interests converted into money, arranged for the sale of such property, and distribute the proceeds of sale among the members entitled thereto: [*Provided,* That whenever funds have accumulated in the amount of $200,000 or more, such funds shall be distributed pro rata to the members who elected to take distribution of their individual shares, and there after similar pro rata distribution shall be made whenever funds have accumulated in the amount of $200,000 or more until all of the property set aside for sale shall have been sold and the proceeds distributed:] *Provided further,* That any person whose name appears on the final roll of the tribe, or a guardian on behalf of any such person who is a minor or an incompetent, shall have the right to purchase, for his or its own account but not as an agent for others, any of such property in lots as offered for sale for not less than the highest offer received by competitive bid; [any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property;] *any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property;* and if more than one right is exercised to purchase the same property pursuant to this proviso the property shall be sold to one of such persons on the basis of competitive bids: *Provided further,* That when determining and

selecting the portion of the tribal property to be sold, due consideration shall be given to the use of such property for grazing purposes by the members of both groups of the tribe;

(4) cause such studies and reports to be made as may be deemed necessary or desirable by the tribe or by the Secretary in connection with the termination of Federal supervision as provided for in this Act; and

(5) cause a plan to be prepared in form and content satisfactory to the members who elect to remain in the tribe and to the Secretary for the management of tribal property through a trustee, corporation, or other legal entity. *If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act, as amended.*

(b) Such amounts of Klamath tribal funds as may be required for the purposes of this section shall be available for expenditure by the Secretary. In order to reimburse the tribe, in part, for expenditure of such tribal funds as the Secretary deems necessary for the purposes of carrying out the requirements of this section, there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, an amount equal to one-half of such expenditures from tribal funds, or the sum of $550,000, whichever is the lesser amount.

SEC. 6. (a) The Secretary is authorized and directed to execute any conveyancing instrument that is necessary or appropriate to convey title to tribal property to be sold in accordance with the provisions of paragraph (3) of subsection (a) of section 5 of this Act, and to transfer title to all other tribal property to a trustee, corporation, or other legal entity in accordance with the plan prepared pursuant to paragraph (5) of subsection (a) of section 5 of this Act.

(b) It is the intention of the Congress that all of the actions required by sections 5 and 6 of this Act shall be completed at the earliest practicable time and in no event later than [six years] *seven years* from the date of this Act.

(c) Members of the tribe who receive the money value of their interests in tribal property shall thereupon cease to be members of the tribe: *Provided*, That nothing shall prevent them from sharing in the proceeds of tribal claims against the United States.

SEC. 7. The Secretary is authorized and directed, as soon as practicable after the passage of this Act, to pay from such funds as are deposited to the credit of the tribe in the Treasury of the United States, $250 to each member of the tribe on the rolls of the tribe on the date of this Act. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of $250: *Provided*, That such payments shall be made first from the capital reserve fund created by the Act of August 28, 1938 (25 U. S. C., Sec. 530).

SEC. 8. (a) The Secretary is authorized and directed to transfer within four years from the date of this Act to each member of the tribe unrestricted control of funds or other personal property held in trust for such member by the United States.

(b) All restrictions on the sale or encumbrance of trust or restricted interests in land, wherever located, owned by members of the tribe (including allottees, purchasers, heirs, and devisees, either adult or minor), and on trust or restricted interests in land within the Klamath Indian Reservation, regardless of ownership, are hereby removed four years after the date of this Act, and the patents or deeds under which titles are then held shall pass the titles in fee simple, subject to any valid encumbrances. [: *Provided,* That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than ten years.] The titles to all interests in trust or restricted land acquired by members of the tribe by devise or inheritance four years or more after the date of this Act shall vest in such members in fee simple, subject to any valid encumbrance.

(c) Prior to the time provided in subsection (b) of this section for the removal of restrictions on land owned by one or by more than one member of a tribe, the Secretary may—

(1) upon request of any of the owners, partition the land and issue to each owner a patent or deed for his individual share that shall become unrestricted four years from the date of this Act;

(2) upon request of any of the owners, and a finding by the Secretary that partition of all or any part of the land is not practicable, cause all or any part of the land to be sold at not less than the appraised value thereof and distribute the proceeds of sale to the owners: *Provided,* That any one or more of the owners may elect before a sale to purchase the other interests in the land at not less than the appraised value thereof, and the purchaser shall receive an unrestricted patent or deed to the land; and

(3) if the whereabouts of none of the owners can be ascertained, cause such lands to be sold and deposit the proceeds of sale in the Treasury of the United States for safekeeping.

(d) The Secretary is hereby authorized to approve—

(1) the exchange of trust or restricted land between the tribe and any of its members;

(2) the sale by the tribe of tribal property to individual members of the tribe; and

(3) the exchange of tribal property for real property in fee status. Title to all real property included in any sale or exchange as provided in this subsection shall be conveyed in fee simple.

SEC. 9. (a) The Act of June 25, 1910 (36 Stat. 855), the Act of February 14, 1913 (37 Stat. 678), and other Acts amendatory thereto shall not apply to the probate of the trust and restricted property of the members of the tribe who die six months or more after the date of this Act.

(b) The laws of the several States, Territories, possessions, and the District of Columbia with respect to the probate of wills, the determination of heirs, and the administration of decedents' estates shall apply to the individual property of members of the tribe who die six months or more after the date of this Act.

(c) Section 5 of the Act of June 1, 1938 (52 Stat. 605), is hereby repealed.

SEC. 10. The Secretary is authorized, in his discretion, to transfer to the tribe or any member or group of members thereof any federally

owned property acquired, withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary for public use and from which members of the tribe will derive benefit.

SEC. 11. No property distributed under the provisions of this Act shall at the time of distribution be subject to Federal or State income tax. Following any distribution of property made under the provisions of this Act, such property and any income derived therefrom by the individual, corporation, or other legal entity shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided*, That, for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the individual, corporation or other legal entity.

SEC. 12. Sections 2, 3, 4, 5, and 6 of the Act of August 28, 1937 (50 Stat. 872, 873), and section 2 (a) of the Act of August 7, 1939 (53 Stat. 1253), are repealed effective on the date of the transfer of title to tribal property to a trustee, corporation, or other legal entity pursuant to section 6 of this Act. All loans made from the reimbursable loan fund established by section 2 of the Act of August 28, 1937 (50 Stat. 872), and all other loans made from Klamath tribal funds, including loans of livestock made by the tribe repayable in kind, shall be transferred to the tribe for collection in accordance with the terms thereof.

SEC. 13. (a) That part of section 5 of the Act of August 13, 1914 (35 Stat. 687; 43 U. S. C. 499), which relates to the transfer of the care, operation and maintenance of reclamation works to water users associations or irrigation districts shall be applicable to the irrigation works on the Klamath Reservation.

(b) Effective on the first day of the calendar year beginning after the date of the proclamation provided for in section 18 of this Act, the deferment of the assessment and collection of construction costs provided for in the first proviso of the Act of July 1, 1932 (47 Stat. 564; 25 U. S. C. 386a), shall terminate with respect to any lands within irrigation projects on the Klamath Reservation. The Secretary shall cause the first lien against such lands created by the Act of March 7, 1928 (45 Stat. 200, 210), to be filed of record in the appropriate county office.

(c) There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated the sum of $89,212 for payment to the Klamath Tribe with interest at 4 per centum annually as reimbursement for tribal funds used for irrigation construction, operation, and maintenance benefiting nontribal lands on the Klamath Reservation, such interest being computed from the dates of disbursement of such funds from the United States Treasury.

(d) The Secretary is authorized to adjust, eliminate, or cancel all or any part of reimbursable irrigation operation and maintenance costs and reimbursable irrigation construction costs chargeable against Indian-owned lands that are subject to the provisions of this Act, and all or any part of assessments heretofore or hereafter imposed on account of such costs, when he determines that the collection thereof would be inequitable or would result in undue hardship on the Indian owner of the land, or that the administrative costs of collection would probably equal or exceed the amount collected.

(e) Nothing contained in any other section of this Act shall affect in any way the laws applicable to irrigation projects on the Klamath Reservation.

SEC. 14. (a) Nothing in this Act shall abrogate any water rights of the tribe and its members, and the laws of the State of Oregon with respect to the abandonment of water rights by nonuse shall not apply to the tribe and its members until fifteen years after the date of the proclamation issued pursuant to section 18 of this Act.

(b) Nothing in this Act shall abrogate any fishing rights or privileges of the tribe or the members thereof enjoyed under Federal treaty.

SEC. 15. Prior to the transfer of title to, or the removal of restrictions from, property in accordance with the provisions of this Act, the Secretary shall protect the rights of members of the tribe who are minors, non compos mentis, or in the opinion of the Secretary in need of assistance in conducting their affairs, by causing the appointment of guardians for such members in courts of competent jurisdiction, or by such other means as he may deem adequate, without application from the member, including but not limited to the creation of a trust of such member's property with a trustee selected by the Secretary, or the purchase by the Secretary of an annuity for such member: *Provided, however,* That no member shall be declared to be in need of assistance in conducting his affairs unless the Secretary determines that such member does not have sufficient ability, knowledge, experience, and judgment to enable him to manage his business affairs, including the administration, use, investment, and disposition of any property turned over to such member and the income and proceeds therefrom, with such reasonable degree of prudence and wisdom as will be apt to prevent him from losing such property or the benefits thereof: *Provided further,* That any member determined by the Secretary to be in need of assistance in conducting his affairs may, within one hundred and twenty days after receipt of written notice of such secretarial determination, contest the secretarial determination in any naturalization court for the area in which such member resides, that he does not need assistance in conducting his affairs, and the decision of such court shall be final with respect to the affected member's conduct of his affairs.

SEC. 16. Pending the completion of the property dispositions provided for in this Act, the funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe, or for expenditure, for such purposes as may be designated by the governing body of the tribe and approved by the Secretary.

SEC. 17. The Secretary shall have authority to execute such patents, deeds, assignments, releases, certificates, contracts, and other instruments as may be necessary or appropriate to carry out the provisions of this Act, or to establish a marketable and recordable title to any property disposed of pursuant to this Act.

SEC. 18. (a) Upon removal of Federal restrictions on the property of the tribe and individual members thereof, the Secretary shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to the affairs of the tribe and its members has terminated. Thereafter individual members of the tribe shall not be entitled to any of the services performed by the United States

for Indians because of their status as Indians and, except as otherwise provided in this Act, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction.

(b) Nothing in this Act shall affect the status of the members of the tribe as citizens of the United States.

SEC. 19. Effective on the date of the proclamation provided for in section 18 of this Act, all powers of the Secretary or other officer of the United States to take, review, or approve any action under the constitution and bylaws of the tribe are hereby terminated. Any powers conferred upon the tribe by such constitution which are inconsistent with the provisions of this Act are hereby terminated. Such termination shall not affect the power of the tribe to take any action under its constitution and bylaws that is consistent with this Act without the participation of the Secretary or other officer of the United States.

SEC. 20. The Secretary is authorized to set off against any indebtedness payable to the tribe or to the United States by an individual member of the tribe or payable to the United States by the tribe, any funds payable to such individual or tribe under this Act and to deposit the amounts set off to the credit of the tribe or the United States as the case may be.

SEC. 21. Nothing contained in this Act shall deprive the tribe or its consitutuent parts of any right, privilege, or benefit granted by the Act of August 13, 1946 (60 Stat. 1049).

SEC. 22. Nothing in this Act shall abrogate any valid lease, permit, license, right-of-way, lien, or other contract heretofore approved. Whenever any such instrument places in or reserves to the Secretary any powers, duties, or other functions with respect to the property subject thereto, the Secretary may transfer such functions, in whole or in part, to any Federal agency with the consent of such agency and may transfer such functions, in whole or in part to a State agency with the consent of such agency and the other party or parties to such instrument.

SEC. 23. The Secretary is authorized to issue rules or regulations necessary to effectuate the purposes of this Act, and may in his discretion provide for tribal referenda on matters pertaining to management or disposition of tribal assets.

SEC. 24. All Acts or parts of Acts inconsistent with this Act are hereby repealed insofar as they affect the tribe or its members. Effective on the first day of the fiscal year beginning after the date of the proclamation provided for in section 18 of this Act, section 2 of the Act of August 19, 1949 (63 Stat. 621, ch. 468) shall become inapplicable to the unrecouped balance of funds expended in cooperation with the school board of Klamath County, Oregon, pursuant to said Act.

SEC. 25. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 26. Prior to the issuance of a proclamation in accordance with the provisions of section 18 of this Act, the Secretary is authorized to undertake, within the limits of available appropriations, a special pro-

gram of education and training designed to help the members of the tribe to earn a livelihood, to conduct their own affairs, and to assume their responsibilities as citizens without special services because of their status as Indians. Such program may include language training, orientation, in non-Indian community customs and living standards, vocational training and related subjects, transportation to the place of training or instruction, and subsistence during the course of training or instruction. For the purposes of such program the Secretary is authorized to enter into contracts or agreements with any Federal, State, or local governmental agency, corporation, association, or person. Nothing in this section shall preclude any Federal agency from undertaking any other program for the education and training of Indians with funds appropriated to it.

SEC. 27. Notwithstanding any other provisions of this Act, no sales of tribal property shall be made pursuant to paragraph (3) of subsection (a) of section 5, or section 6 of this Act prior to the adjournment of the second session of the Eighty-fifth Congress.

SEC. 28. Notwithstanding the provisions of sections 5 and 6 of the Act of August 13, 1954 (68 Stat. 718) and all Acts amendatory thereof,

(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United

States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

(c) Within sixty days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest and mineral values. Not less than thirty days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the Eighty-fifth Congress and the termination date specified in subsection 6 (b) of this Act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian Forest designated pursuant to subsection 28 (a) shall be made under the provisions of this Act prior to April 1, 1959.

(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this Act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads.

○

Union Calendar No. 943

85TH CONGRESS
2D SESSION

S. 3051

[Report No. 2278]

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1958

Referred to the Committee on Interior and Insular Affairs

JULY 25, 1958

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:~~

~~"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this Act,~~

~~"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath~~

~~Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.~~

~~"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than one hundred years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided,* That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, which is hereby determined to be their fair market value if as much as 70 per centum of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this Act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly~~

by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be

responsible for enforcing such conditions. The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within sixty days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units

or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (c) of this section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this Act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase

such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any land so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that

purpose not later than the time limit provided in subsection 6 (b) of this Act, is amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands pursuant to subsection (b) of this section on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from

or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said Act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and march lands pursuant to subsection 28 (b), 28 (c), and 28 (c) of this Act, and up to

75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

SEC. 6. No funds distributed pursuant to section 5 of said Act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within six months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said Act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the Act of August

~~13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".~~

That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of section 5 and 6 of the Act of August 13, 1954 (68 Stat. 718), and all Acts amendatory thereof—

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the

units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a

breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) Within sixty days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest, and mineral values. Not less than thirty days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers

selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the Eighty-fifth Congress and the termination date specified in subsection 6 (b) of this Act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units

that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this Act prior to April 1, 1959.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered

for sale and that are not sold or taken pursuant to subsection (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who

withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

"(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

"(h) If title to any of the lands comprising the

Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this Act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the Act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this Act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes."

SEC. 3. No funds distributed pursuant to section 5 of the Act of August 13, 1954, as amended, to members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the sixty-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the Act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following review of the appraisal of the tribal property.

SEC. 6. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 7. The second proviso of subsection 5 (a) (3) of said Act, as amended, relating to Indian preference rights, is further amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due

him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

SEC. 8. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act, as amended."

SEC. 9. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), as amended, shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within eighteen months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said Act of August 13, 1954, as amended.

SEC. 10. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".

SEC. 11. Subsection 8 (b) of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by changing the colon to a period and by deleting the following language: "Provided, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than ten years."

Passed the Senate May 7, 1958.

Attest: FELTON M. JOHNSTON,

Secretary.

Union Calendar No. 943

85TH CONGRESS
2D SESSION

S. 3051

[Report No. 2278]

AN ACT

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

MAY 8, 1958

Referred to the Committee on Interior and Insular Affairs

JULY 25, 1958

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

S. 3051

AN ACT

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 30, 1958
For actions of July 29, 1958
85th-2d, No. 128

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HIGHLIGHTS: Senate passed: Industrial uses research bill. Humane slaughter bill. House passed Klamath Indian lands bill.

July 29, 1958

HOUSE

1. FORESTRY. Passed under suspension of the rules S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian forest lands which must be sold. Rep. Aspinall stated that the bill was amended to delete the provision for harvesting timber on a sustained-yield basis. pp. 14148-52

   The Agriculture Committee reported with amendment H. R. 12494, to authorize the Secretary in selling certain lands in N. C. to permit the State to sell or exchange such lands for private purposes (H. Rept. 2296). p. 14182

2. WHEAT IMPORTS. The Agriculture Committee reported with amendment H. R. 11581, to increase the import duty on wheat for seeding purposes which has been treated with poisonous substances and is unfit for human consumption (H. Rept. 2295). p. 14182

3. CHEMICAL ADDITIVES. The Rules Committee reported a rule for consideration of H. R. 9521, to amend the Federal Food, Drug, and Cosmetic Act so as to revise the definition of the term "chemical additive" to provide that it shall not include any pesticide chemicals when used in or on any raw agricultural commodity which is produced from the soil. p. 14182

4. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment S. 4002, to authorize the Gray Dam and Reservoir as a part of the Glendo Unit of the Missouri River Basin project (H. Rept. 2291). p. 14182

5. TRANSPORTATION; TRAVEL. The Interstate and Foreign Commerce Committee ordered reported with amendment H. R. 8742, to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the U. S. Government. p. D755

6. ONIONS; COMMODITY EXCHANGES. Reps. Poage and Hoeven were excused as conferees on H. R. 376, to prohibit trading in onion futures, and Reps. Thompson, Tex., and Simpson, Ill., were appointed in their places. p. 14124

7. APPROPRIATIONS. Passed without amendment H. J. Res. 672, to authorize temporary appropriations until August 31, 1958, to various agencies until their regular 1959 appropriation bills are enacted. The resolution had been reported earlier by the Appropriations Committee (H. Rept. 2298). pp. 14124-25, 14182

8. SCHOOL AID. Agreed to the Senate amendments to H. R. 11378, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, and to extend such programs until June 30, 1961, insofar as such programs relate to other children. This bill will now be sent to the President. p. 14132

9. MINERALS. Passed under suspension of the rules S. 3817, to authorize the Secretary of the Interior to make loans for the development of mineral resources in the U. S. pp. 14146-47

10. PERSONNEL. Passed under suspension of the rules S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey. pp. 14171-73

11. WATERSHEDS. Received from the Agriculture Committee letters stating that the following watershed projects had been approved by the Committee: Mill Creek, Ga.; Obion Creek, Ky.; Muddy Creek, Miss. and Tenn.; Adobe Creek, Buena Vista Creek, and Central Sonoma, Calif.; Upper Nanticoke River, Del.; Donaldson Creek, Ky.; Mud Creek, Nebr.; Peavine Mountain, Nev.; Indian Creek, Tenn. and Miss.; and Coon Creek, Wisc.; to Appropriations Committee. pp. 14174, 14181

12. CIVIL DEFENSE. Rep. Holifield commended the request of the Office of Defense and Civilian Mobilization for funds to carry out the Federal shelter construction program. pp. 14175-76

13. TRANSPORTATION. The Rules Committee reported a resolution for consideration of H. R. 12751, to extend the provisions of the Shipping Act of 1916 relating to dual rate contract arrangements. p. 14182

SENATE

14. RESEARCH. Passed, 81 to 0, with amendments S. 4100, to provide for the increased use of agricultural products for industrial purposes through the establishment of an Agricultural Research and Industrial Administration, under the general supervision and direction of the Secretary of Agriculture, to coordinate and direct such research and development projects. pp. 14042-5

further, you have to spend more money, you have to do more work, and it is not as inviting to private industry as it used to be, because they can put their money into other endeavors that will furnish them a greater return.

These minerals and metals are important to this country not only from the economic standpoint but from the defense standpoint, and certainly now with our advent into the space age it is highly necessary that the program be continued. That is the reason this bill has been introduced.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. As I understand, this agency or administration is being relocated from ODM to the Department of the Interior; is that correct?

Mr. ROGERS of Texas. That is exactly right.

Mr. GROSS. Is the gentleman saying to the House that in this relocation or transfer there will be no augmented staff, that the staff will remain the same, that they are not going to add more employees, as has often been the case?

Mr. ROGERS of Texas. Mr. Speaker, let me say this to the gentleman from Iowa. A portion of the staff that has been in ODM, as I understand, has been released in contemplation of the discontinuance of these duties by ODM. The staff that has been employed in carrying out this program will probably be the same, but there is an amendment that we put into this bill that I think will please the gentleman from Iowa. Let me point this out: Appropriations have to be approved by the Committee on Appropriations to carry on this work, anyway. That is one safeguard. But the Committee on Interior and Insular Affairs put in an amendment requiring a report on March 1 and on September 1 of each year; so that the Congress could keep a continuing watch on this type of program and avoid the very thing that the gentleman from Iowa, and rightfully so, is disturbed about.

Mr. GROSS. Mr. Speaker, I hope the gentleman's committee will look for the reports and see that this does not result in additional employees and in upgrading of employees.

Mr. ROGERS of Texas. I assure the gentleman that if my people choose to return me here, I shall be very happy to watch out for it.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, I should like to ask the distinguished gentleman from Texas if there is any connection between this bill—I note that it bears Senate number—and the action taken by the Committee on Interior and Insular Affairs covering a 1-year special program for the purchase of copper?

Mr. ROGERS of Texas. No. This bill is not the incentive-payment bill. May I say to the gentleman that as originally proposed this bill was a section of the bill proposed by the Secretary of the Interior with regard to the mining industry. But we felt, and the committee in the other body also felt that it was better to separate these matters so that they could be handled separately and the House could work its will upon them.

Mr. BAILEY. I thank the gentleman for the information.

Mr. METCALF. Mr. Speaker, the DMEA program has been one of the soundest programs to assist the small-mines industry in this country and to help assure continuous and expanding exploration and discovery to keep pace with our growing needs and demands. Other legislation pending is vital to offset current depressed metal prices but the long-term problem of developing ore reserves and locating and discovering new ore bodies is met with this bill.

To demonstrate the value of the defense minerals exploration program in small camps the production in the small town of Philipsburg, Mont.—population 1,048—is 75 percent from reserves discovered during the course of contracts between the DMEA and small mining operators in the district.

This bill making the DMEA a permanent agency and making it a part of the Interior Department is sound legislation, based on sound business principles. It will lead to the discovery of untold treasure in the mining areas of this country and through royalties on these discoveries the entire cost of the program will be returned to the Government. I urge the passage of the bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2933) to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization.

The Clerk read as follows:

Be it enacted, etc., That (a) section 3 of the act entitled "An act to establish an Alaska International Rail and Highway Commission," approved August 1, 1956 (70 Stat. 888; 48 U. S. C. 338), as amended, is amended to read as follows: "The Commission is authorized to cooperate with the officials of the Dominion of Canada and of the Provinces of British Columbia and Alberta and with any commission or similar body appointed for such purpose by the Dominion of Canada or the Provinces of British Columbia or Alberta. The Secretary of State shall, at the request of the Commission, arrange for meetings with such officials and with such commissions or similar bodies of the Dominion of Canada or the Provinces of British Columbia and Alberta."

(b) Section 7 of such act is amended by striking out "not later than 2 years after the date of enactment of this act" and inserting in lieu thereof "at the earliest practicable time, but in no event later than February 1, 1960." Section 7 is further amended by striking out the last sentence thereof which reads as follows: "The Commission shall cease to exist, and all authority conferred by this act shall terminate, 30 days after the date of submission of the final report," and inserting in lieu thereof: "The Commission shall cease to exist for all intents and purposes, and all authority conferred by this act shall and does terminate 30 days after the date of the submission of the final report or on March 1, 1960, whichever date occurs first."

(c) Section 8 of such act is amended by striking out "$75,000" and inserting in lieu thereof "$300,000."

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second so that we may have an explanation of the bill.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, this bill would extend the life of the Alaska International Rail and Highway Commission and increase its authorization.

The Commission was created in 1956. The proposal before us now would enable the Commission to carry out the directions that were received at that time, namely, to make a thorough and complete study of the need for additional highway and rail transportation facilities connecting the continental United States with Central Alaska; to determine among other things economic and military advantages, the most feasible and direct routes with relation to the economic benefits to the United States, Canada, and Alaska, and finally, the most feasible routes connecting coastal ports and cities to those facilities.

Those responsibilities are very substantial. The commission asked that its life be continued to permit this survey, that it be granted 18 months to complete the work, and that it have a continued appropriation of $300,000, which would include the original $75,000 appropriation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Iowa.

Mr. GROSS. How much money has been expended on this project previously?

Mr. O'BRIEN of New York. On this specific project?

Mr. GROSS. In relation to the railroad lines and highways, by any commission.

Mr. O'BRIEN of New York. There have been during the last 24 years I believe 4 investigations, some of them semimilitary in character, but in each instance the investigation was to determine the engineering feasibility of building highways, and so forth. We have now arrived at the point where we know these things. Now it must be determined whether there is the economic feasibility, if the various commodities are available in sufficient supply to warrant the investment in these transportation facilities.

Mr. GROSS. Was that not taken into consideration in previous surveys that have been made? How much money is to be spent, and when is this thing going to come to an end?

Mr. O'BRIEN of New York. The material we have from these previous sur-

veys of course will be utilized and is being utilized by the commission. We now know from these surveys about the engineering feasibility of these projects. Whether these previous studies were incomplete or failed to live up to the mandate of Congress I do not know, but they did not go into the economic feasibility. As we know, in every project, whether it is deepening a river or something else, an important matter to be considered is the economic feasibility: In other words, is the investment by private capital or Government justified in the light of the probable use of the facility?

Mr. GROSS. This provides for an appropriation of $387,500, does it not?

Mr. O'BRIEN of New York. No. The amount was reduced to $300,000. I might add that that included the original $75,000. It is $225,000 in new money.

I might explain that this is not going to be a haven for a great many seekers of jobs, because the bulk of the new money will be used for the survey. The survey will be made by an outside agency under contract. There are about 18 proposals now under consideration by the commission.

May I add further that the commission represents both the executive and legislative branches of the Government.

Mr. GROSS. I hope this will come to an end when the 18 months expire. I believe that is the termination point when the commission proposes to wind up its affairs.

Mr. O'BRIEN of New York. I will assure the gentleman from Iowa that the very small part I may have, and I am a member of the commission, will be dedicated to completing the work within the time specified in this bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. McCORMACK. Mr. Speaker, I desire to announce for the information of the membership that I am putting on the program the following: H. R. 9020, which is on the whip notice and the bill, S. 607, relating to retirement, clerical assistants and free mailing privileges to former Presidents of the United States.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The bill, H. R. 9856, was laid on the table.

KLAMATH INDIAN TRIBE

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, as amended.

The Clerk read the bill as follows:

Be it enacted, etc., That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of section 5 and 6 of the act of August 13, 1954 (68 Stat. 718), and all acts amendatory thereof—

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not intrust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to land acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) Within 60 days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest, and mineral values. Not less than 30 days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the 85th Congress and the termination date specified in subsection 6 (b) of this act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this act prior to April 1, 1959.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90 million, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be for the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands

subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

"(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

"(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes."

SEC. 3. No funds distributed pursuant to section 5 of the act of August 13, 1954, as amended, to members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the 60-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following review of the appraisal of the tribal property.

SEC. 6. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 7. The second proviso of subsection 5 (a) (3) of said act, as amended, relating to Indian preference rights, is further amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 8. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time limit provided in subsection 6 (b) of this act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this act, as amended."

SEC. 9. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), as amended, shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 18 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954, as amended.

SEC. 10. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in lieu thereof "7 years."

SEC. 11. Subsection 8 (b) of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by changing the colon to a period and by deleting the following language: "*Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than 10 years."

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HALEY. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. ASPINALL].

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Speaker, in considering the legislation now before the House, it is necessary to take into consideration the purposes of the bill and to consider somewhat the background that causes this measure to be here today. The principal purposes of this bill, as amended, are to provide for a review of the appraisal of the real property assets of the Klamath Indian Tribe heretofore made under the Klamath Termination Act of August 3, 1954. Second, to provide with more certainty and clarity than the law now does the price at which and the conditions under which those assets which must be disposed of to reimburse withdrawing members of the tribe shall be offered for sale. Third, to assure continued management of the Klamath Forest so as to yield a continuous supply of timber during the years to come. Fourth, to provide for Federal acquisition of the Klamath Marsh as a wildlife refuge. And, last, to provide for Federal acquisition of such of the Klamath Forest units as are not retained by the tribe or purchased by private parties.

The act which we are amending was approved on August 13, 1954, and its purpose was to permit Federal withdrawal for those of the Klamath Indian Tribe who wished to get out from under Federal supervision and to make division of the property; to make possible the necessary payments to those Indians who wish to withdraw from the tribe; and also to make it possible to retain in the ownership of the tribe the property of those who wish to remain in the tribe organization.

We have run into a great deal of trouble because we were unable to foresee the many difficulties that would arise in this enormous program. This is 1 of the 2 more unfortunate tribes for which termination was decided as a possible alternative to our care over Indians who have from the beginning of our national existence been considered as wards of the United States Government. The first of the two tribes considered for termination has been the Menominee and we have fairly well taken care of their program. The second is the Klamath Indian Tribe. This is a wealthy tribe. This is an advanced tribe. Because this tribe possesses a great deal of wealth it has been necessary that we provide for an equitable division of their property. We provided in the original law that there would be an appraisal of all tribal property and we would give each member of the tribe an opportunity to withdraw from the tribe and get his share; or, to stay within the organization, and have his property considered held in joint ownership. Also, we have provided a procedure by which we can determine and select a portion of the tribal property which, if sold or transferred, would provide sufficient funds to pay withdrawing members in cash.

We also caused a master plan to be prepared by direction of the Secretary. In providing this, we provided for the employment of three specialist land managers. They have been working on this program ever since their appointment by the Secretary of the Interior. We now find ourselves in a position where it appears that there are more withdrawing members than was expected. It is necessary to make disposition of more of the property than was originally intended for the purpose of securing cash. It is only justice that the Indians should receive every cent that is

coming to them and that they should not be in a position of having to be the beneficiaries of the forced sale. This amendment that we propose today provides that if the property which is mostly in the form of valuable timber is not sold to private industry by a certain date, then such property will be taken over by public ownership, to be made a part of the Forest Service lands of the United States.

We have endeavored to provide that there shall be used a method of harvesting the timber which will protect the natural resource values which we have in that area. Accordingly, instead of providing for a sustained yield program, which by the way, does not mean everything that it seemingly does to many of the public, we are using the wording provided in the Forest Service law. That is, we provide for a continuous sale of timber in those areas where the timber can be harvested orderly and thus protect all of the timber values.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Speaker, this legislation was transmitted to Congress on January 13, 1958, by the Secretary of the Interior, Hon. Fred A. Seaton. In his letter Mr. Seaton said:

> The purpose of the bill is to assure the continued sustained-yield management of the part of the Klamath Indian Forest that must be sold in order to pay the members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest this is sold.

In the bill as it passed the other body there are three places where the term "sustained yield" is used. When Mr. Hatfield Chilson, Under Secretary of the Interior, testified before the House Interior Committee in support of the bill he said:

> The two basic objectives that will be accomplished by this bill are: (1) preservation of the Klamath Forest by assuring its management on a sustained-yield basis; and (2) assurance that the Indians will receive the fair market value of the part of the Klamath Forest that is sold to carry out the purposes of the act.

The Senate report on S. 3051 declares:

> The primary purpose of S. 3051 is to provide for the continued sustained-yield management of that part of the Klamath Indian Forest which must be sold to pay the tribal members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

In spite of this constant reiteration that the primary objective of the legislation is continued sustained yield the three references to sustained yield in the bill have been stricken and the provision substituted that would require management of the lands as far as practicable so as "to furnish a continuous supply of timber."

The gentleman from Colorado [Mr. ASPINALL] has helped explain this somewhat and the committee has explained in the House report that the words "to furnish a continuous supply of timber" were taken verbatim from the 1897 act which has been the "guiding conservation principle under which the national forests have been managed since 1897." And as pointed out in the Senate report "the entire national forest system has been in sustained yield management since 1897."

The reason given by the committee in the report that the words "to furnish a continuous supply" were used is so that there will not be imposed more stringent requirements on the management of these lands than other national forest areas.

I would like to inquire of the gentleman if there is intention to impose less stringent requirements than on other national forest lands.

Mr. ASPINALL. That is not the intention of this. The intention is to provide that in those areas where you can operate under a sustained yield—there is a part of this where that would be impossible—we provide for the harvesting of the timber that is ready to harvest so that the Indians themselves may receive the benefits. In those areas where you can carry on a timber operation, keep going continuously as the Forest Service endeavors to do under this law, then we intend that Forest Service practices shall apply to this operation.

Mr. METCALF. Would it be right to say that you want to impose on this land the same requirements as all other national forest lands?

Mr. ASPINALL. That is correct.

Mr. METCALF. And when you say you want "to cover the scientific management in perpetuity," that means that you want to have a balance between the annual growth and the annual harvest insofar as it is possible and do that in perpetuity?

Mr. ASPINALL. The gentleman is correct.

Mr. METCALF. I thank the gentleman and thank the gentleman from Pennsylvania [Mr. SAYLOR] for yielding to me so that I could make this inquiry.

Mr. SAYLOR. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am delighted that the gentleman from Montana [Mr. METCALF] asked the question he did, because I think it will do a great deal to clear up questions in the minds not only of Members of Congress but many other people in the country who are interested in what happens to the Klamath Forest. These lands will be held to the same standards of all our national forests.

One of the principal things this bill does, and one of the principal reasons why it should be enacted into law is that it provides that the Klamath Marsh, which is a part of the Klamath Forest, shall be defined, its boundaries shall be fixed by the Secertary of Agriculture and the Secretary of the Interior; that it shall become a part of the property that is managed by the Department of Fish and Wildlife of the Department of Interior and shall be administered as the Klamath Forest Wildlife Refuge. This is enough to merit the Members of Congress voting for this bill.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Speaker, this is not an Indian bill we are considering today—it is a conservation bill. A conservation bill authorized at the expense of the Klamath Indians.

The history back of this legislation is briefly this: For 40 years the Indian people of the Klamath Indian Reservation have been repeating the cry of Patrick Henry to "give me liberty." The 83d Congress attempted to do just that and passed 68 Stat. 718, which provided for a sale of the timberlands on the reservation to make distribution of the assets of the tribe to those members of the tribe who wished to withdraw from tribal ownership. In order to obtain the best price possible for the Indian people the law provided for sale of the timberlands in reasonably small tracts. The purpose being to provide more spirited bidding and greater revenues for the Indians.

This would have been good except for two things; first, the conservationist groups became alarmed that by selling the timber without cutting restrictions the forests would be "clear-cut" and great damage would be done to a large forest area. Secondly, there is on this reservation a great marsh, the famous Klamath Marsh, which is a very fine nesting place for waterfowl and the most valuable flyway along the west coast. This marsh is fed and sustained by waters seeping down the mountainsides through the underbrush and timber cover, gradually feeding it with water throughout the year.

Conservationists envisioned that a clear-cutting of the timber would result in waters rushing down the mountainside and into the rivers, destroying or at least reducing the value of the marsh for wildlife.

The result has been a compromise between the conservationists and the Department of Interior which provides that this reservation property shall be sold—not at market price nor at market value, but at what is called a realization value.

Instead of the timber being sold for the best possible cash price, it will be offered for sale in large units. Before a prospective purchaser can place a bid on the property he must submit a plan of cutting the timber on a sustained yield basis. If his plan is approved he is permitted to bid. If his bid is successful he pays cash for his purchase but—if, down through the years he fails to strictly comply with his cutting program to the full satisfaction of some Government forester assigned to that area, title to the property reverts to the United States and he is out.

The bill further provides that in the event no private enterpriser is enterprising enough to risk his cash in such a Government controlled venture, that then the land shall be sold to the United States Government at the so-called realization price and be placed in the national forest. Those of us who are

opposed to Government ownership, particularly Government purchase of private property for use and control by the Federal Government, are reluctant to go along with this provision.

But, Mr. Speaker, that I could overlook except for one thing. Who pays for this conservation program? Who pays the difference between the cash value of this land and this forest, and the so-called realization value? Is it the people who benefit from having a fine stand of sustained timber on this land? Is it the people of Oregon or the people of the United States generally? No—Mr. Speaker, it is the Indians of the Klamath Reservation and no one else.

This is the price they are asked to pay for their freedom.

When it comes to the marshland, much of which is desired by the ranchers and stockmen who are members of the tribe and who want to use their settlement moneys to purchase some of this land for their cattle operations, are they permitted to buy their own lands from the tribe?

They are not. The bill provides that the Federal Government shall purchase all of these lands at the appraised realization value and it be turned over to the Division of Fish and Wildlife to be maintained for conservation purposes.

Does anyone imagine that this provision was placed in the bill at the request of the Klamath Indians? Certainly it was not. This is probably the first instance in history of where public property is not even offered for sale to the highest bidder. It is probably the only instance of where property is taken from individual and tribal owners without thought or consideration of due process. The owners are given no right of appeal to any court. The Congress simply says "You people are wards of the Federal Government and as such we set the value—not the cash value, but the realization value—on your property.

No, Mr. Speaker; who pays for this finest of all waterfowl nesting grounds on the west coast? Who pays for this wonderful fly-way? Is it the sportsmen who benefit, is it the people of the Nation generally? No, it is the Klamath Indians.

I do not think there is anyone who opposes maintaining this marsh for wildlife. I do not think there is anyone who opposes proper conservation practices in the maintaining of this forest—but there are many of us who oppose taking it away from the Indians without paying them the actual value of their property and that value is the difference between the appraised or realization price and the price it would bring if sold on the open market without restrictions.

There is another interesting complication in this whole matter. Several years ago the Bureau of Reclamation made a survey of the water storage potential on this reservation. They reported four very good dam sites on this area. Dam sites for power and water on the west coast are becoming limited and are a valuable asset to the area. This value will be lumped in and the Indians will receive nothing for it.

I indicated at the outset that this is not an Indian bill. It is a conservation bill with the Indians being required to pay the difference between the sale value of their land and property without restrictions and the fire-sale value, called "realization" value.

This is the price the Indians of this reservation are required to pay for their freedom from Government regulation and control. Possibly it is worth it to them, but in my book the price comes pretty high.

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. HALEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Speaker, the problems facing the Klamath Indian Tribe in Oregon have been actively before the Congress since 1954. The legislation before the House today is an honest attempt to permanently dispose of these recurring problems. It is a joint attempt which has the support not only of the House Committee on Interior and Insular Affairs which has reported out this bill, but also by the Department of the Interior which actively supports this measure.

The urgency of S. 3051 arises from the fact that the 1954 Termination Act created many unforeseen complications of a grave and far-reaching nature. These complications affect not only the Indians who are directly involved, but also the the reservation lands and the entire future of the timber resources found on the reservation lands and the entire economy of the Klamath Basin.

The Klamath Indian Reservation lands consist of 861,125 acres, of which approximately 665,000 acres are classed as commercial timberland. Included in this timbered area are some of the finest stands of ponderosa pine to be found anywhere in the world. In addition, the reservation contains 15,967 acres of marshland which is a major wildlife habitat.

Clearly then, the reservation lands provide one of the great natural resource areas still remaining in this country. The effect of the 1954 Termination Act on these resources would have been disastrous. It would have dismembered the whole reservation, with no restrictions on timber cutting and no thought as to the effect on the economy of the area. "Clearcutting" of the timberlands would have been the inevitable result and, thus, one of America's outstanding resources would have been destroyed.

Mr. Speaker, last year Congress wisely enacted stop-gap legislation to delay the sale of reservation lands for 1 year in order to give to the Department of Interior and Congress an opportunity to formulate a program which would provide a permanent solution to this complex problem. Such a program is presented today in the form of S. 3051 as amended by the House Committee on Interior and Insular Affairs. Under the provisions of this bill sales to private bidders will be allowed. The valuable timberlands will be divided into approximately 10 tracts which will be sold subject to restrictions which will insure scientific timber management. Any of these tracts which are not purchased by private interests will be acquired by the Federal Government at a price that will insure adequate compensation for tribal members. Fringe areas suitable for grazing and farming will be sold to private bidders, with members of the tribe receiving first consideration.

Those Indians who did not elect to withdraw from the tribe—approximately 22 percent—will hold select timber areas which will be placed under trusteeship management. Withdrawing Indians will receive an appropriate share of the proceeds from the sale of the reservation; minors and those Indians judged incompetent will have their funds placed in trusteeship under a competent trust organization which will insure long-term, sound management.

S. 3051 also calls for a review of the appraisal to be carried on by three qualified appraisers or appraisal organizations. This review is to be accomplished by January 1, 1959. Sale of timber units is accordingly delayed until April 1, 1959. However, in order to provide for the pressing needs of the lumber economy of the Klamath Falls area, provision has been made for the immediate sale of noncommercial timber found on the fringe areas of the reservation. In addition, it is anticipated that there will be marketed in the near future, under sound timber management practices, an estimated 93 million board feet of timber from the tract of land which is to be retained by those tribal members who did not elect to withdraw.

Mr. Speaker, this is a sound legislative approach to a complex problem and one which will provide an equitable solution for all concerned. It is fair to the Indians, protects the economy of the Klamath Basin and insures the wise and perpetual management of the natural resources found on the reservation.

I trust that Congress will give this legislation the full support which I believe it deserves.

(Mr. ULLMAN asked and was given permission to revise and extend his remarks.)

(Mr. HALEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HALEY. Mr. Speaker, for many years the Congress has been struggling with the problem of terminating Federal supervision over Indian tribes whose members are ready to manage their own affairs. The Klamath Tribe is one of these. In 1954 we passed an act which provided that the members of this tribe should be allowed to elect whether to stay in the tribe or to get out. It also provided that the tribal assets—the great bulk of which are forest lands—should be divided. Enough were to be sold to pay each withdrawing member of the tribe his per capita share in cash. The rest were to be retained and turned over to the remaining members of the tribe organized as a corporation or in some other form. All of this was to be

done and Federal supervision was to be terminated by this fall.

At the time this legislation was passed, some of us were doubtful whether it would work. Others were convinced that it would. I think time has vindicated the doubters.

Back in 1954 it was estimated that perhaps 25 percent of the tribe would vote to withdraw. The market could probably have absorbed a sale of 25 percent of the tribal timberlands over a reasonable time. But now, it turns out, nearly 78 percent of the members want to withdraw and it is clear to all that the market cannot absorb over 500,000 acres of timberland in any short period without disastrous consequences to the Indians themselves, to the lumber industry, and to the whole economy of the Klamath basin in and out of Oregon.

Many of my committee colleagues, and others also, believe that another important factor in the picture is that of maintaining the forest on a scientific management basis. Probably if 25 percent of the forest were sold and 75 percent retained in tribal ownership this would not be an overly serious question. But with the figures reversed, it is a matter of first-rate importance. For 50 years sustained-yield cutting has been practiced in this area. To switch now to clear cutting for 75 percent of the forest would, according to the testimony we received, lead to disastrous consequences not only to the lumber market but also to very many and important downstream interests.

So I come to the bill before us. There was general and widespread recognition that something had to be done. There was great diversity of opinion on what should be done. My personal preference would have been for a simple stop-gap piece of legislation giving more time for consideration of the problems and for disposal of the timberlands instead of the kind we have. But many viewpoints had to be reconciled, and the present bill is the result of much soul-searching on the part of all concerned. It came to us first as a measure recommended by the administration. This was somewhat modified in the other body. It has been still further modified in our committee. Perhaps there will be more modifications in conference.

But what the bill boils down to is this:

First. As it comes to the floor the bill provides for a review appraisal of the timber and marshlands held by the Klamath Tribe. This review is to be completed and reported to Congress by next January. There has been so much question whether the appraisal that has already been made includes all elements of value that ought to be considered—water rights, for instance, and minerals as well as timber itself—that we think this review is a must.

Second. The amended bill provides for selling the forest units to private purchasers who agree to manage them so as to furnish a continuous supply of timber. The sale will be on the basis of competitive bids with the so-called realization value of the lands as an upset price. I think it only fair to say that there is no guaranty that the forest units can be sold under these conditions, but it is the administration's recommendation and the Senate's recommendation and our committee's recommendation, so I do no more than mention my personal doubts.

Third. S. 3051 provides for acquisition by the Forest Service of any units that remain unsold to private purchasers. How many there will be, I cannot say. It may be all of them or it may be few. There is, in any event, a $90 million limitation in the bill on what may be appropriated for the acquisition of these lands and the marshlands that I will mention in a minute. Unless the review appraisal comes up with some radically different figure from what we now have, this amount will be sufficient.

Fourth. The bill provides for acquisition of the Klamath marsh by the Secretary of the Interior to be maintained as a national wildlife refuge. The price to be paid for these lands—approximately 23,000 acres for $407,000—is a part of the $90 million I have already mentioned.

These are the principal points that need to be mentioned in connection with S. 3051, though it also covers a number of other minor points.

As I said before, the Klamath termination problem has been with us for a long time. This legislation may or may not give the final answer. I am afraid that it may lead to Federal ownership. But at this late date, we have gone the only direction we could, given the administration's and the other body's positions and the conscientious views of my colleagues. If some such legislation as this does not pass, the timberlands will go on the auction block next month. This bill has at least the merit of preserving the status quo until next Congress and, if further consideration has to be given to it then, we will still be open for business.

The SPEAKER pro tempore (Mr. HARRIS). The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING SECTION 31 OF THE ORGANIC ACT OF GUAM

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12569) to amend section 31 of the Organic Act of Guam, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 31 of the Organic Act of Guam (64 Stat. 384, 392; 48 U. S. C., 1952 edition, sec. 1421i), is amended to read as follows:

"(a) The income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in Guam.

"(b) The income-tax laws in force in Guam pursuant to subsection (a) of this section shall be deemed to impose a separate Territorial income tax, payable to the government of Guam, which tax is designated the 'Guam Territorial income tax'.

"(c) The administration and enforcement of the Guam Territorial income tax shall be performed by or under the supervision of the Governor. Any function needful to the administration and enforcement of the income-tax laws in force in Guam pursuant to subsection (a) of this section shall be performed by any officer or employee of the government of Guam duly authorized by the Governor (either directly, or indirectly by one or more redelegations of authority) to perform such function.

"(d) (1) The income-tax laws in force in Guam pursuant to subsection (a) of this section include but are not limited to the following provisions of the Internal Revenue Code of 1954, where not manifestly inapplicable or incompatible with the intent of this section: Subtitle A (not including chapter 2 and section 931); chapters 24 and 25 of subtitle C, with reference to the collection of income tax at source on wages; and all provisions of subtitle F which apply to the income tax, including provisions as to crimes, other offenses, and forfeitures contained in chapter 75. For the period after 1950 and prior to the effective date of the repeal of any provision of the Internal Revenue Code of 1939 which corresponds to one or more of those provisions of the Internal Revenue Code of 1954 which are included in the income-tax laws in force in Guam pursuant to subsection (a) of this section, such income-tax laws include but are not limited to such provisions of the Internal Revenue Code of 1939.

"(2) The Governor or his delegate shall have the same administrative and enforcement powers and remedies with regard to the Guam Territorial income tax as the Secretary of the Treasury, and other United States officials of the executive branch, have with respect to the United States income tax. Needful rules and regulations for enforcement of the Guam Territorial income tax shall be prescribed by the Governor. The Governor or his delegate shall have authority to issue, from time to time, in whole or in part, the text of the income-tax laws in force in Guam pursuant to subsection (a) of this section.

"(e) In applying as the Guam Territorial income tax the income-tax laws in force in Guam pursuant to subsection (a) of this section, except where it is manifestly otherwise required, the applicable provisions of the Internal Revenue Codes of 1954 and 1939, shall be read so as to substitute 'Guam' for 'United States', 'Governor or his delegate' for 'Secretary or his delegate', 'Governor or his delegate' for 'Commissioner of Internal Revenue' and 'Collector of Internal Revenue', 'District Court of Guam' for 'district court' and with other changes in nomenclature and other language, including the omission of inapplicable language, where necessary to effect the intent of this section.

"(f) Any act or failure to act with respect to the Guam Territorial income tax which constitutes a criminal offense under chapter 75 of subtitle F of the Internal Revenue Code of 1954, or the corresponding provisions of the Internal Revenue Code of 1939, as included in the income-tax laws in force in Guam pursuant to subsection (a) of this section, shall be an offense against the government of Guam and may be prosecuted in the name of the government of Guam by the appropriate officers thereof.

"(g) The government of Guam shall have a lien with respect to the Guam Territorial income tax in the same manner and with the same effect, and subject to the same conditions, as the United States has a lien with respect to the United States income tax. Such lien in respect of the Guam Territorial income tax shall be enforceable in the name of and by the government of Guam. Where filing of a notice of lien is prescribed by the income-tax laws in force in Guam pursuant to subsection (a) of this section, such notice

With amendment:
S. 2142, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain citrus fruits;
S. Res. 344, to authorize the committee to study marketing practices relating to loose and tied tobacco; and
H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-and-mouth disease exists;
An original bill to extend the Mexican farm labor program for one year. p. D758

17. WATERSHED PROJECTS. The Agriculture and Forestry Committee approved the following watershed projects: Adobe Creek, Buena Vista Creek, and Central Sonoma, Calif.; Upper Nanticoke River, Del.; Donaldson Creek, Ky.; Mud Creek, Nebr.; Peavine Mountain, Nev.; Indian Creek, Tenn. and Miss.; and Cook Creek, Wis. pp. D758-9

18. FORESTRY. Conferees were appointed on S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian forest lands which must be sold. House conferees have not been appointed. pp. 14257-8

19. RESEARCH. The Government Operations Committee reported with amendments S. 4039, to authorize the head of any Government agency now making contracts for research to grant funds for the support of such research (S. Rept. 2044). p. 14186

20. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 7710, to provide for the lump-sum payment of all accumulated and accrued annual leave of deceased employees (S. Rept. 2055). p. 14186

21. FISHERIES; EXTENSION. The Interstate and Foreign Commerce Committee reported with amendments S. 2973, to establish a fishery extension service in the Fish and Wildlife Service to carry out cooperative fishery extension work with the States (S. Rept. 2063). p. 14186

22. MINERALS. The Interior and Insular Affairs Committee reported with amendment S. 4146, to provide for incentive payments to minerals producers (S. Rept. 2057). p. 14186

23. FARM INCOME. Sen. Hruska discussed the July release of USDA "Farm Income Situation," showing the increase in farm income, and inserted 14 statements based on USDA statistics showing the upward trend in farm income and living standards. pp. 14199-200

24. ELECTRIFICATION. Sen. Neuberger criticized the alleged bias of Douglas McKay as Chairman of the International Joint Commission studying the position of the Federal government as to joint actions with Canada in developing the Columbia River Basin, asserted that his opposition to Federal power developments made him unsuitable for formulating the Federal position in this area, and inserted an editorial on the matter. pp. 14204-5

25. HUMANE SLAUGHTER. Sen. Allott stated that the humane slaughter bill, because of the discretion granted the Secretary for formulating regulations, was "one of the best, prime example of what legislation should not be." pp. 14190-1

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11. APPROPRIATIONS. Received the conference report on H. R. 12948, the D. C. appropriation bill for 1959 (H. Rept. 2325). pp. 14321-22

12. SMALL BUSINESS. Conferees were appointed on S. 3651, to make equity capital and long-term credit more readily available to small business. Senate conferees have not been appointed. p. 14326

13. AREA REDEVELOPMENT. Rep. Siler urged enactment of S. 3683, to provide Federal aid to economically depressed areas. pp. 14326-27

SENATE

14. APPROPRIATIONS. Agreed to the conference report on H. R. 11574, the independent offices appropriation bill for 1959, agreed to certain House amendments, and voted, 44 to 39, to recede from an item in disagreement to include $589 million for the Civil Service Retirement and Disability Fund. Sen. Sparkman spoke against the elimination of $100,000 for HHFA farm housing research, and Sens. Saltonstall and Magnuson stated they would consider the matter next Jan. in the supplemental or regular independent offices appropriation bill (pp. 14246-7). This bill will now be sent to the President. pp. 14243-56

Passed, 71 to 0, with amendment H. R. 12738, the Defense Department Appropriation bill for 1959, and conferees were appointed (pp. 14258-9, 14261-87). Agreed to an amendment, applying generally to Government departments and agencies, to require reports to Congress in writing, following the close of each calendar quarter, of the amount of each budgetary reserve in effect at the end of such quarter and the purpose for which each such reserve was established. This was a modification, proposed by Sen. Hayden, of a committee amendment that had been reported on this subject (pp. 14264-5).

Passed without amendment H. J. Res. 672, to make temporary appropriations until Aug. 31, 1958, to various agencies until their regular 1959 appropriation bills are enacted. This measure will now be sent to the President. p. 14191

15. TRANSPORTATION. Both Houses agreed to the conference report on S. 3778, to strengthen the national transportation system. This bill will now be sent to the President. pp. 14205-8, 14326

16. AGRICULTURE AND FORESTRY COMMITTEE ordered reported the following bills:

Without amendment:

H. R. 6542, to authorize the conveyance of certain forest lands to Dayton, Wyo.;

H. R. 11800, to authorize the Secretary to sell a tract of land and buildings thereon under the jurisdiction of ARS to Clifton, N. J.;

S. 3333, to improve the insured loan program of FHA;

H. R. 12224, to prohibit the creation of an acreage history on peanuts after 1957 by those growing peanuts without an acreage allotment;

H. R. 12840, to provide a single acreage allotment for Va. sun-cured and Va. fire-cured tobaccos if farmers vote approval in a referendum;

S. 4151, to establish uniform provisions for the transfer of acreage allotments when the landowner is displaced by an agency having the right of eminent domain;

S. 3858, to authorize CCC to purchase flour and cornmeal for donation instead of having such products processed from its own stocks; and

H. Con. Res. 295, endorsing plans of a non-government group to establish a Hall of Fame for Agriculture.

TERMINATION OF FEDERAL SUPERVISION OVER KLAMATH INDIAN TRIBE

Mr. NEUBERGER. Mr. President, I ask the Chair to lay before the Senate, the amendment of the House of Representatives to S. 3051, amending the act terminating Federal supervision over the Klamath Indian Tribe.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, which was, to strike out all after the enacting clause and insert:

That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of the act of August 13, 1954 (68 Stat. 718), and all acts amendatory thereof—

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided*, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(c) Within 60 days after this section becomes effective the Secretary of the Interior shall contract by negotiation with 3 qualified appraisers or 3 qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest, and mineral values. Not less than 30 days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marshlands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair-market value of such forest units and marshlands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the 85th Congress and the termination date specified in subsection 6 (b) of this act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marshlands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this act prior to April 1, 1959.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marshlands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90 million, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

"(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

"(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes."

SEC. 3. No funds distributed pursuant to section 5 of the act of August 13, 1954, as amended, to members who withdraw from

the tribe shall be paid to any person as compensation for services pertaining to the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the 60-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following review of the appraisal of the tribal property.

SEC. 6. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 7. The second proviso of subsection 5 (a) (3) of said act, as amended, relating to Indian preference rights, is further amended by deleting "any indviduai Indian purchaser may appiy toward the purchase price all or any part of the sum due him from the conversion of his interest in tribai property" and by inserting in iieu thereof "any individuai Indian purchaser who has elected to withdraw from the tribe may appiy toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh iands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 8. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no pian that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time iimit provided in subsection 6 (b) of this act, as amended, the Secretary shall adopt a pian for managing the tribal property, subject to the provisions of section 15 of this act, as amended."

SEC. 9. Except as provided beiow, the provisions of the act of August 13, 1954 (68 Stat. 718), as amended, shaii not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 18 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept titie and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954, as amended.

SEC. 10. Subjection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in iieu thereof "7 years."

SEC. 11. Subsection 8 (b) of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by changing the coion to a period and by deieting the following ianguage: *"Provided,* That the provisions of this subsection shaii not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to 1 or more trustees designed by him for management for a period of not iess than 10 years."

Mr. NEUBERGER. Mr. President, on July 29, 1958, the House of Representatives amended S. 3051. I move that the Senate disagree to the amendment of the House of Representatives, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. NEUBERGER, Mr. ANDERSON, Mr. CHURCH, Mr. WATKINS, and Mr. GOLDWATER, conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3579. An act for the reiief of Stirley Louis Berutich;

H. R. 6773. An act for the reiief of Bonifacio Santos;

H. R. 7757. An act to amend section 382 of the Communications Act of 1934 to provide an exemption from the requirements of part III of titie III of that act in the case of certain vesseis;

H. R. 8905. An act for the reiief of Hubert D. Thatcher, Robert R. Redston, Andrew E. Johnson, William L. Barber, Aiex Kamkoff, and William S. Denisewich;

H. R. 9160. An act for the reiief of Genoveva Rioseco Casweii;

H. R. 9833. An act to amend section 27 of the Merchant Marine Act of 1920;

H. R. 9851. An act for the reiief of Tsuyako Ikeda;

H. R. 9993. An act for the reiief of Miss Mary M. Browne;

H. R. 11200. An act for the reiief of the estate of L. L. McCandless, deceased;

H. R. 11236. An act for the reiief of Arthur G. Williams;

H. R. 11357. An act for the reiief of Miss Terez Csencsits;

H. R. 12060. An act for the reiief of Michael J. Conlin;

H. R. 12217. An act to amend paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act, as amended;

H. R. 12256. An act for the reiief of Alphonse E. Jakubauskas;

H. R. 12364. An act for the reiief of Mrs. Viola Barksdale;

H. R. 12365. An act for the reiief of the estate of Suck Pii Ra;

H. R. 12569. An act to amend section 31 of the Organic Act of Guam, and for other purposes;

H. R. 12624. An act for the reiief of Palmer-Bee Co.;

H. R. 12894. An act to authorize the making, amendment, and modification of contracts to faciiitate the nationai defense;

H. R. 12903. An act for the reiief of Wolfgang Stresemann;

H. R. 12942. An act for the reiief of Walter H. Berry;

H. R. 12967. An act to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Islands;

H. R. 13151. An act for the reiief of Everett A. Ross;

H. R. 13312. An act for the reiief of Forrest E. Decker; and

H. R. 13455. An act to amend the Atomic Energy Act of 1954, as amended.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 3579. An act for the reiief of Stirley Louis Berutich;

H. R. 6773. An act for the reiief of Bonifacio Santos;

H. R. 8905. An act for the reiief of Hubert D. Thatcher, Robert R. Redston, Andrew E. Johnson, William L. Barber, Aiex Kamkoff, and William S. Denisewich;

H. R. 9160. An act for the reiief of Genoveva Rioseco Casweii;

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H. R. 12903. An act for the reiief of Wolfgang Stresemann;

H. R. 12942. An act for the reiief of Walter H. Berry;

H. R. 13151. An act for the reiief of Everett A. Ross; and

H. R. 13312. An act for the reiief of Forrest E. Decker; to the Committee on the Judiciary.

H. R. 7757. An act to amend section 382 of the Communications Act of 1934 to provide an exemption from the requirements of part III of title III of that act in the case of certain vessels; and

H. R. 9833. An act to amend section 27 of the Merchant Marine Act of 1920; to the Committee on Interstate and Foreign Commerce.

H. R. 12569. An act to amend section 31 of the Organic Act of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 12967. An act to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Isiands; to the Committee on Labor and Public Welfare.

H. R. 13455. An act to amend the Atomic Energy Act of 1954, as amended; placed on the calendar.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of calendar No. 2006, House bill 12738, the Defense Department appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12738) making appropriations for the

5. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 474, to repeal Sec. 217 of the Merchant Marine Act of 1936 relating to the coordination of the forwarding and servicing of water-borne export and import foreign commerce of the U. S. (H. Rept. 2332), and H. R. 8382, to provide for the licensing of independent foreign freight forwarders (H. Rept. 2333). p. 14493

6. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 13015, to authorize construction at military installations. Senate conferees have not been appointed. p. 14397

Both Houses

7. APPROPRIATIONS. Agreed to the conference report on H. R. 12948, the D. C. appropriation bill for 1959, and insisted on its disagreement to two of the Senate amendments. pp. 14397-98, 14384, 14388-90. Ready for the President.

Conferees were appointed on H. R. 12738, the Defense Department appropriation bill for 1959. Senate conferees have not been appointed. p. 14398

8. FORESTRY. Conferees were appointed on S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian forest lands which must be sold. Senate conferees have been appointed. p. 14445

9. ELECTRIFICATION. The Public Works Committee was granted permission until midnight Fri., Aug. 1, to file a report on S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity. pp. 14485, 14490

10. SMALL BUSINESS. Rep. Kilburn was relieved as a conferee on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns, and Rep. Betts was appointed in his place. p. 14485

11. WATERSHEDS. The Public Works Committee approved work plans for the following watershed projects: Alamo Arroyo and Diablo Arroyo, Tex.; Elm River, N. Dak.; Mud River, Ky.; Tramperos Creek, N. Mex.; Dry Devils River, Lowery Draw, and Upper Lake Fork Creek, Tex.; Lower Willow Creek, Mont.; Whitegrass-Waterhole Creek, Okla.; and Little Schuylkill River, Pa. pp. 14445, 14493

12. COMMITTEE ASSIGNMENTS. Rep. Coudert resigned as a member of the Appropriations Committee, and Rep. Lipscomb was elected in his place. p. 14490

13. SURPLUS COMMODITIES. Both Houses received from this Department the monthly report of the General Sales Manager regarding sales of CCC surplus commodities. pp. 14492, 14342

14. ATOMIC ENERGY. Both Houses received the semiannual report of the Atomic Energy Commission. pp. 14492-93, 14342

15. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Private Calendar will not be called Tues., Aug. 5. p. 14485

SENATE

16. BUDGETING. Passed, 68 to 6, as reported H. R. 8002, the accrued expenditures budgeting bill (pp. 14390-5).

As passed by the Senate, the bill provides as follows: When the President determines that there is a satisfactory accrual-accounting system for an appropriation or fund account, his estimates shall be accompanied by a proposed accrued-expenditures limitation, and he may include proposed authorizations for

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 1, 1958
For actions of July 31, 1958
85th-2d, No. 130

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HIGHLIGHTS: House subcommittee ordered reported cotton amendments to farm bill. Senate passed bills to: Provide accrued expenditure budgeting. Regulate withholding of information by agencies. Senator Humphrey criticized GAO ruling on REA loan authority. House committee ordered reported omnibus housing bill.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Cotton of the Agriculture Committee "met in executive session on provisions relating to cotton in S. 4071, re marketing programs for various agricultural commodities, and ordered reported to the full committee certain amendatory recommendations of the bill." pp. D770-71

2. HOUSING. The Banking and Currency Committee ordered reported with amendment S. 4035, the omnibus housing bill. p. D771

3. ONION FUTURES. Conferees agreed to file a conference report on H. R. 376, to prohibit trading in onion futures and remove onions from regulation under the Commodity Exchange Act. p. D771

4. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. D771

attention of the hard-pressed, expectant taxpayers. Is it possible this program will collapse of its own weight?

Inflation is both the cause and the result of this bill. The payments are increased because of the cost of living increases of inflation, the depreciated value of the dollar. Yet these increased payments will be passed on and be paid by the consumers in the increased cost of goods and services, and so inflation results. The ones who pay most dearly, of course, are those who are not on the social security payroll. Approximately one-third of those over 65 years of age are not, three-fifths of those over 70, and one-half of those over 75.

As I see it, this is the wrong bill, at the wrong time, and so I voted against it.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 2767. An act to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records;

H. R. 9196. An act to authorize the construction of a nuclear-powered icebreaking vessel for operation by the United States Coast Guard, and for other purposes;

H. R. 11805. An act to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research;

H. R. 12850. An act to prohibit the introduction, or manufacture for introduction, into interstate commerce of switchblade knives, and for other purposes; and

H. R. 13138. An act to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12948) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 31.

The message also announced that the Senate recedes from its amendment No. 1 to the above-entitled bill.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 25) entitled "An act relating to effective dates of increases in compensation granted to wage board employees," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. NEUBERGER, Mr. YARBOROUGH, Mr. CARLSON, and Mr. MORTON to be the conferees on the part of the Senate.

TERMINATING FEDERAL SUPERVISION OVER KLAMATH INDIAN TRIBE

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, with House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HALEY, ASPINALL, UDALL, DAWSON of Utah, and WESTLAND.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT, AS AMENDED

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

JULY 30, 1958.

Hon. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee. The work plans involved are:

State and watershed	Executive Communication No.	Committee approval
Texas:		
Alamo Arroyo	1151	Feb. 25, 1958
Diablo Arroyo	1152	Do.
North Dakota: Elm River	1921	July 1, 1958
Kentucky: Mud River	2043	Do.
New Mexico: Tramperos Creek	2043	Do.
Texas:		
Dry Devils River and Lowrey Draw	2120	July 22, 1958
Upper Lake Fork Creek	2120	July 16, 1958
Montana: Lower Willow Creek	2148	July 22, 1958
Oklahoma: Whitegrass-Waterhole Creek	2148	Do.
Pennsylvania: Little Schuylkill River	2148	Do.

Sincerely yours,
CHARLES A. BUCKLEY,
Chairman, Committee on Public Works.

REGISTRATION AND PROTECTION OF TRADEMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8826) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 7 and 8, strike out "employees of competent legal knowledge as may be designated by the Commissioner" and insert "employees, designated by the Commissioner and whose qualifications have been approved by the Civil Service Commission as being adequate for appointment to the position of examiner in charge of interferences."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain this amendment?

Mr. CELLER. This is a minor amendment and provides that the employees which may be designated shall first be cleared by the Civil Service Commission.

Mr. MARTIN. Is that agreeable to our members of the committee?

Mr. CELLER. It is.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INJURY, DISABILITY, AND DEATH RESULTING FROM WAR-RISK HAZARDS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 12140) to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment, suffered by employees of contractors of the United States, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 19, after "by" insert "deleting the period at the end of clause (4), inserting the words '; or' in place thereof, and."

Page 2, line 21, strike out "(4)" and insert "(5)."

Page 6, line 5, strike out "(4)" and insert "(5)."

Page 6, line 7, strike out "(5)" and insert "(6)."

Page 7, line 14, strike out "(5)" and insert "(6)."

Page 7, line 24, after "section" insert "or in any work under subparagraph (5) subsection (a) of this section."

Page 8, line 10, strike out "(a)."

Page 10, line 1, after "the" insert "Federal."

Page 10, line 3, strike out "five" and insert "four."

Page 11, strike out line 23 and insert "and section 5 (b) of the act of June 30, 1953 (67 Stat. 134) are repealed."

Page 12, after line 4, insert:

"SEC. 402. The effective date of this act is June 30, 1958. Persons are entitled to the benefits of this act notwithstanding the fact that an injury, disability, or death occurred

after June 30, 1958, and before the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. CELLER. These are minor amendments with the exception of one amendment that I think the gentleman might be interested in and which has been cleared by all Members. It is that the effective date of the act is changed to June 30, 1958, so that anyone entitled to relief could not get it if the event causing the difficulty occurred prior to June 30, 1958.

Mr. MARTIN. It is a unanimous report?

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit while the House is in session during general debate during the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PROCEEDINGS AGAINST EDWARD YELLIN

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2334).

The Clerk read as follows:

PROCEEDINGS AGAINST EDWARD YELLIN

Mr. WALTER, from the Committee on Un-American Activities, submitted the following report:

CITING EDWARD YELLIN

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 85th Congress, caused to be issued a subpena to Edward Yellin, 150 Woodland, Fort Collins, Colo. The said subpena directed Edward Yellin to be and appear before said Committee on Un-American Activities, or a duly authorized subcommittee thereof, of which the Honorable FRANCIS E. WALTER is chairman, on February 10, 1958, at 10 a. m. at city council chambers, City Hall, Gary, Ind., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served on the said Edward Yellin is set forth in words and figures as follows:

"UNITED STATES OF AMERICA,
"CONGRESS OF THE UNITED STATES.

"To EDWARD YELLIN, *150 Woodland, Fort Collins, Colo., Greeting:*

"Pursuant to lawful authority, you are hereby commanded to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, or a duly appointed subcommittee thereof, on February 10 (Monday), 1958, at 10 o'clock, a. m., at City Council Chambers, City Hall, Gary, Ind., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee.

"Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

"To United States Marshal, to serve and return.

"Given under my hand this 21st day of January, in the year of our Lord 1958.

"FRANCIS E. WALTER,
"Chairman."

The said subpena was duly served as appears by the return made thereon by the United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said United States marshal being endorsed thereon, is set forth in words and figures, as follows:

"SUBPENA FOR EDWARD YELLIN, BEFORE THE COMMITTEE ON UN-AMERICAN ACTIVITIES OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES

"I made service of the within subpena by handing to and leaving the original of this subpena, personally, with the within-named Edward Yellin, at 150 Woodland Street, Ft. Collins, Colo., at 3:30 o'clock, p. m., on the 23d day of January 1958.

"Dated January 24, 1958.

"TOM O. KIMBALL,
"U. S. Marshal, District of Colorado.
"By OSCAR A. CRIST,
"Deputy."

The said Edward Yellin, pursuant to the said subpena, and in compliance therewith, appeared before a subcommittee of the Committee on Un-American Activities on February 10, 1958, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 85th Congress. The said Edward Yellin, having appeared as a witness and having been asked the questions, namely:

"Mr. Yellin, where did you reside prior to September 1957?

"Will you tell the committee, please, whether or not incidents came to your attention of the colonization of the steel unions in Gary by the Communist Party at any time prior to September 1957?

"Were you a member of the Communist Party on the 23d of June 1949, which is the date of application filed in your name for employment in Gary?

"Will you tell the committee whether or not in 1957 there were present in any of the steel unions at Gary, Ind., persons who were known to you to have been colonizers of the Communist Party?

"Will you tell the committee what stand the Communist Party took in Gary in any of its units with regard to the acts of the Soviet Union in Hungary in 1956?

"Are you a member of the Communist Party now?"

Which questions were pertinent to the subject under inquiry, refused to answer said questions and, as a result of said Edward Yellin's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of a subpena served upon the said Edward Yellin.

The record of the proceedings before the subcommittee on February 10, 1958, during which Edward Yellin refused to answer the aforesaid questions, pertinent to the subject under inquiry, is set forth in fact as follows:

"MONDAY, FEBRUARY 10, 1958

"UNITED STATES
HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Gary, Ind.

"Public hearing

"A subcommittee of the Committee on Un-American Activities met pursuant to call, at 10 a. m., in the council chamber, Municipal Building, Gary, Ind., Hon. FRANCIS E. WALTER (chairman of the committee) presiding.

"Committee members present: Representatives FRANCIS E. WALTER, of Pennsylvania, and GORDON H. SCHERER, of Ohio.

"Staff members present: Frank S. Tavenner, Jr., counsel, and Raymond T. Collins, investigator.

"The CHAIRMAN. The subcommittee will come to order.

"Let the record show that, pursuant to law and the rules of this committee, I have appointed a subcommittee for the purpose of conducting thesse hearings composed of Representatives WILLIAM M. TUCK, of Virginia; GORDON H. SCHERER, of Ohio; and myself as chairman.

"The order of appointment of the subcommittee will be set forth in the record at this point:

"JANUARY 21, 1958.

"To Mr. RICHARD ARENS,
"Staff Director, House Committee on Un-American Activities:

"Pursuant to the provisions of law and the rules of this committee, I hereby appoint a subcommittee of the Committee on Un-American Activities, consisting of Representatives GORDON H. SCHERER, and WILLIAM M. TUCK, associate members, and myself, FRANCIS E. WALTER, as chairman, to conduct hearings in Gary, Ind., on Monday and Tuesday, February 10th and 11th, 1958, at 10:00 a. m., on subjects under investigation by the committee and take such testimony on said days or succeeding days, as it may deem necessary.

"Please make this action a matter of committee record.

"If any member indicates his inability to serve, please notify me.

"Given under my hand this 21st day of January 1958.

"FRANCIS E. WALTER,
"Chairman, Committee on Un-American Activities.

"The CHAIRMAN. The subject and legislative purposes of this hearing are reflected by the following extract taken from the minutes of a meeting of the committee held on January 15, 1958:

"'A motion was made by Mr. SCHERER, seconded by Mr. WILLIS and unanimously carried, approving and authorizing the holding of hearings in Gary, Ind., beginning on the 10th day of February, 1958, or on such other date as the chairman of the committee may determine, and continuing from day to day, and time to time, until the hearings are completed, and the conduct of investigations deemed reasonably necessary by the staff in preparation therefor, relating to the following subjects and having the legislative purposes indicated.

"'1. The extent, character, and objects of Communist infiltration and Communist Party propaganda activities in basic industry in the Gary, Ind., area, the legislative purpose being to obtain information for use by the Committee in its consideration of section 16 of H. R. 9352, relating to the proposed amendment of section 4 of the Communist Control Act, of 1954, prescribing a penalty for knowingly and willfully becoming or remaining a member of the Communist Party with knowledge of the purpose or objective thereof, and for the additional legislative

Senate - Aug. 12, 1958

5. FISHERIES. The Interstate and Foreign Commerce Committee reported with amendments S. 3229, the proposed Federal Fisheries Assistance Act of 1959 (S. Rept. 2334). p. 15664

6. COTTON; RICE. Sen. Jordan's name was added as cosponsor of S. J. Res. 196, to extend for one year the minimum acreage allotments for cotton and rice with price supports from 80 to 90% of parity. p. 15672

7. TRANSPORTATION. Concurred in the House amendment to S. 377, to provide a 3-year statute of limitations on actions involving transportation of property and passengers of the Government. This bill will now be sent to the President. pp. 15683-4

8. REA. Sen. Aiken inserted the July 21 ruling of the Comptroller General and Under Secretary Morse's Aug. 7 reply, regarding the legality of loans to the Central Iowa Power Cooperative. The GAO decision would forbid loans for extension of service to persons who are actually without central station service if they are located in an area claimed to be served by a power supplier which states it is willing to serve such unserved persons. pp. 15674-80

9. SURPLUS COMMODITIES; FOREIGN AID. Sen. Humphrey inserted an article ascribing recent outbreaks in South America to poor diets, and stated that extension of Public Law 480 would help in carrying out our foreign policy in South America. pp. 15697-8

10. LEGISLATIVE PROGRAM. S. 4237, the national defense education bill, was made the Senate's unfinished business. Sen. Johnson announced that the supplemental appropriation bill would be considered as soon as it was reported and cleared for consideration, and that later in the week he expected the Senate to consider the public debt limit increase bill, the foreign aid appropriation bill, and the renogotiation bill. pp. 15814-15

HOUSE

11. MEATPACKERS. Passed under suspension of the rules H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission. (pp. 15634-43) Rep. Poage asked unanimous consent to take up S. 1356, a similar bill, and pass it with an amendment substituting the language of H. R. 9020 as passed. Reps. Dorn, S. C., and Harvey objected to this request. Rep. Cooley asked that the objections be withdrawn so that the bill could go to conference immediately. (p. 15643)

12. FORESTRY. Received the conference report on S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing alternatives for private or Federal acquisition of the part of the tribal forest that must be sold (H. Rept. 2544). (pp. 15571-72, 15560) As reported the bill provides that private purchasers of portions of the tribal forest must agree to manage them "as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber," establishes April 1, 1961, as the date on which the Secretary of Agriculture shall take title for the U. S. to any forest units which are not purchases by private companies, and retains the House amendments providing for review of the appraisal of the Klamath Tribe's resources, for deferring sale of any forest units until April 1, 1959, and for termination of the management specialists' contract.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 13, 1958
For actions of August 12, 1958
85th-2d, No. 138

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HIGHLIGHTS: House passed packers and stockyards bill. Senate committee ordered reported supplemental appropriation bill. House Rules Committee cleared area redevelopment bill. House received conference reports on: Klamath Indian forest bill. Onion futures trading bill.

SENATE

1. EXCISE TAXES. Passed with amendments H. R. 7125, to make technical changes in the Federal excise tax laws. Senate conferees were appointed. pp. 15684-97, 15705-7, 15708-23, 15730-4

2. TAXATION. Passed with amendments H. R. 8381, to make technical changes in the Internal Revenue Code of 1954. Senate conferees were appointed. pp. 15728-9, 15735-57, 15759-814

3. APPROPRIATIONS. The Appropriations Committee ordered reported with amendments H. R. 13450, the supplemental appropriation bill for 1959. p. D833

4. MINERAL CLAIMS. Concurred in the House amendment to S. 3199, to specify the period for doing annual assessment work on unpatented mineral claims and suspending such work for the year ending July 1, 1958. This bill will now be sent to the President. pp. 15815-16

85TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2544

AMENDING THE ACT TERMINATING FEDERAL SUPERVISION OVER THE KLAMATH INDIAN TRIBE BY PROVIDING IN THE ALTERNATIVE FOR PRIVATE OR FEDERAL ACQUISITION OF THE PART OF THE TRIBAL FOREST THAT MUST BE SOLD

AUGUST 12, 1958.—Ordered to be printed

Mr. HALEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 3051]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendments:

(1) Strike out the expression "as far as practicable so as to furnish a continuous supply of timber" in the first sentence of subsection (b) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof *as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber.*

(2) Strike out the fourth sentence of subsection (b) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof *Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources as hereinbefore set forth in this section.*

(3) Strike out the word "approval," in the fifth sentence of subsection (c) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof the word *appraisal,*

(4) Change the date "July 1, 1961," in the first sentence of subsection (d) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, to *April 1, 1961,*

(5) Change the date "July 1, 1961." in the second sentence of subsection (f) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, to *April 1, 1961.*

(6) Strike out the words "review of" in section 5 of S. 3051.

And the House agree to the same.

JAMES A. HALEY,
WAYNE N. ASPINALL,
STEWART L. UDALL,
WILLIAM A. DAWSON,
JACK WESTLAND,
Managers on the Part of the House.

RICHARD L. NEUBERGER,
CLINTON P. ANDERSON,
FRANK CHURCH,
ARTHUR V. WATKINS,
BARRY GOLDWATER,
Managers on the Part of the Senat

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3051) amending the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendments to the text of the bill:

S. 3051, as it came to the House provided that certain designated portions of the Klamath Indian Forest should be offered for sale to private purchasers agreeing to manage them "for not less than one hundred years according to sustained yield plans." The House amended this language by substituting the words "as far as practicable so as to furnish a continuous supply of timber."

The House members preferred the substitute language for several reasons: (1) the "continuous supply of timber" phraseology, taken from the act of June 4, 1897 (30 Stat. 11, 35; 16 U. S. C. 475), has greater stature in previous law than does "sustained yield"; (2) it seemed desirable to include the phrase "as far as practicable" in order to avoid the imposition of a rule in circumstances in which it might be unworkable; (3) the 100-year provision in the Senate version of the bill was believed to be less conducive to full-scale scientific management than the in perpetuity provision which was, in effect, written into the House version.

In conference a merger of the desirable portions of these two texts was agreed to. As a result, the language recommended is "as far as practicable according to sustained-yield procedures so as to furnish a continuous supply of timber." The conferees believe that this language will impose neither more nor less stringent requirements on private purchasers in the management of their Klamath Forest lands than is imposed on the management of national forest lands by the Forest Service. In those areas where the forest lands can be operated under sustained-yield procedures, these will be followed, but in areas where this is impracticable they will not be required. Finally, under the conferees' recommended language, scientific management in perpetuity of the forests will be assured.

The managers on the part of the House take particular note of the definition of sustained yield in the Society of American Foresters' publication entitled "Forest Terminology" (3d edition, 1958):

> As applied to a policy, method, or plan of forest management, [this term] implies continuous production with the aim of achieving, at the earliest practicable time, an approximate balance between net growth and harvest, either by annual or somewhat longer periods.

The second modification of the House version of the bill that was agreed to merely ties the fourth sentence of subsection (b) of the proposed section 28 to the matter just discussed.

The third modification corrects the word "approval" in the fifth sentence of subsection (c) of the proposed section 28 to read "appraisal."

The next two changes occur in subsections (d) and (f) of the proposed section 28. Subsection (d) establishes the time at which the Secretary of Agriculture shall take title for the United States to any forest units which are not purchased by private companies. Subsection (f) establishes the time at which title shall be taken to the area comprising the Klamath Marsh. The Senate used January 1, 1961, in both instances. Since the House version includes provision for a review of the appraisal of the resources within the Klamath Reservation, it adopted a later date, July 1, 1961. The conferees recommend April 1, 1961, as a suitable time for these events to occur.

In section 5 of the bill, the House conferees receded from the House amendment with respect to the election to withdraw or remain in the tribe. Deletion of the words "review of" removes an ambiguity and avoids possibility of a delay in the termination program and additional cost by the holding of a second election.

In all other respects, the Senate conferees accepted the House amendment. This includes, particularly, the House provisions for review of the appraisal of the Klamath Tribe's resources, for deferring sale of any forest units until April 1, 1959, and for termination of the management specialists' contract. The retention of this last provision is called for by the substantial completion by the management specialists of their work and is not intended to reflect on the integrity or usefulness of the service rendered by them.

JAMES A. HALEY,
WAYNE N. ASPINALL,
STEWART L. UDALL,
WILLIAM A. DAWSON,
JACK WESTLAND,
Managers on the Part of the House.

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the United States, its Territories and possessions;

H. R. 11133. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes;

H. R. 11346. To amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under State agreement, for only those State and local employees who desire such coverage;

H. R. 11382. An act to authorize the conversion or exchange, under certain conditions, of term insurance issued under section 621 of the National Service Life Insurance Act, and for other purposes;

H. R. 13021. An act to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes;

H. R. 13531. An act to amend the act of June 29, 1938, as amended, to increase the insurance coverage required to be carried by cabs for hire in the District of Columbia for the protection of passengers and others, and for other purposes;

H. J. Res. 595. Joint resoituion for the relief of certain aliens;

H. J. Res. 620. Joint resoiution for the relief of certain aliens;

H. J. Res. 628. Joint resoiution to facilitate the admission into the United States of certain aliens;

H J. Res. 634. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 636. Joint resoiution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; and

H. Con. Res. 321. Concurrent resoiution approving the granting of the status of permanent residence to certain aliens.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 770 An act for the relief of Mutsuko Miyaji;

S. 784 An act for the relief of Dwight S. Sharer;

S. 1109 An act to provide for the preservation of historical and archaeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam;

S. 1816 An act for the relief of Harry H. Nakamura;

S. 2057 An act for the relief of Diana Elaine Greig;

S. 2494 An act for the relief of Mohammed Ali Halim;

S. 2597 An act for the relief of Howard F. Knipp;

S. 3004 An act for the relief of Joanna Strutynska;

S. 3221 An act for the relief of Erika Margaretha Zintl Pearce;

S. 3259 An act to further amend the act of August 7, 1946 (60 Stat. 896), as amended by the act of October 25, 1951 (65 Stat. 657), as the same are amended, to provide for an increase in the authorization for funds to be granted for the construction of hospital facilities in the District of Columbia;

S. 3308 An act for the relief of Itzhak Aronovici;

S. 3333 An act to facilitate the insurance of loans under title I of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 28, 1937, as amended (relating to the conservation of water resources), and for other purposes;

S. 3379 An act to provide for adjustments in the annuities under the Foreign Service retirement and disability system;

S. 3445 An act for the relief of Teruko K. Jackson;

S. 3509 An act for the relief of Wong Wing Boa;

S. 3510 An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938;

S. 3534 An act to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo.;

S. 3547 An act for the relief of Andrejs Pablo Mierkalns;

S. 3564 An act to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers;

S. 3572. An act to authorize land exchanges for purposes of the George Washington Memorial Parkway in Montgomery County, Md., and for other purposes;

S. 3579. An act for the relief of Milka Jurisich;

S. 3640. An act for the relief of Daniel (Nathaniel) Rosenzweig;

S. 3696. An act for the relief of Panagiotis Kamboukos (Kazantzas);

S. 3739. An act for the relief of Hermine Elmon Papazian;

S. 3743. An act for the relief of Cynthia Elizabeth Jefferson (Mimi Kurosaka) and Sylvia Elise Jefferson (Junko Tano);

S. 3783. An act for the relief of Hing Man Chau;

S. 3801. An act for the relief of Kiara Leitner and her daughter, Sylvia Leitner;

S. 3818. An act for the relief of Vincenta Garcia y Puente;

S. 3826. An act for the relief of Concettina Iannacchino;

S. 3843. An act to regulate the practice of physical therapy by registered physical therapists in the District of Columbia;

S. 3921. An act for the relief of Peter Tiliner;

S. 3986. An act to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes;

S. 4020. An act for the relief of Kunio Inouye (Sparkman);

S. 4053. An act to extend the boundaries of the Siskiyou National Forest in the State of Oregon, and for other purposes;

S. 4081. An act for the relief of Marianne (Sachiko) Fuller;

S. 4096. An act to amend section 4201 of title 18, United States Code, with respect to the annual rate of compensation of members of the board of parole;

S. 4151. An act to amend the Agricultural Adjustment Act of 1938, as amended, so as to establish uniform provisions for transfer of acreage allotments;

S. 4153. An act to authorize the delivery of sewage from Virginia into the sewerage system of the District of Columbia and the treatment of such sewage, and for other purposes;

S. 4196. An act to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in shortform documents;

S. J. Res. 188. Joint resolution providing for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc., Philadelphia, Pa.; and

S. Con. Res. 99. Concurrent resoiution relative to the designation of an International Health and Medical Research Year.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 377. An act to amend the Interstate Commerce Act to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the United States Government and to provide that deductions for overcharges by the United States shall be made within 3 years from time of payment.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12591) entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3880) entitled "An act to create a Civil Aeronautics Board and a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety, and to provide for the safe and efficient use of the airspace by both civil and military aircraft."

LEGISLATIVE PROGRAM

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I wish to announce for the information of the Members that the House will consider a contempt proceeding from the Committee on Interstate and Foreign Commerce and also two contempt proceedings from the Committee on Un-American Activities on tomorrow.

AMENDING THE ACT TERMINATING FEDERAL SUPERVISION OVER THE KLAMATH INDIAN TRIBE

Mr. HALEY submitted the following conference report and statement on the bill, S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, which was read and ordered to be printed:

CONFERENCE REPORT (H. REPT. No. 2544)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3051) to amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendments:

(1) Strike out the expression "as far as practicable so as to furnish a continuous

supply of timber" in the first sentence of subsection (b) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof "as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber."

(2) Strike out the fourth sentence of subsection (b) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof: "Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources as hereinbefore set forth in this section."

(3) Strike out the word "approval," in the fifth sentence of subsection (c) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, and insert in lieu thereof the word "appraisal."

(4) Change the date "July 1, 1961," in the first sentence of subsection (d) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, to "April 1, 1961."

(5) Change the date "July 1, 1961" in the second sentence of subsection (f) of proposed section 28 of the act of August 13, 1954, as added by S. 3051, to "April 1, 1961."

(6) Strike out the words "review of" in section 5 of S. 3051.

And the House agree to the same.

JAMES A. HALEY,
WAYNE N. ASPINALL,
STEWART L. UDALL,
WILLIAM A. DAWSON,
JACK WESTLAND,
Managers on the Part of the House.

RICHARD L. NEUBERGER,
CLINTON P. ANDERSON,
FRANK CHURCH,
ARTHUR V. WATKINS,
BARRY GOLDWATER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3051) amending the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendments to the text of the bill:

S. 3051, as it came to the House, provided that certain designated portions of the Klamath Indian Forest should be offered for sale to private purchasers agreeing to manage them "for not less than one hundred years according to sustained yield plans." The House amended this language by substituting the words "as far as practicable so as to furnish a continuous supply of timber."

The House members preferred the substitute language for several reasons: (1) the "continuous supply of timber" phraseology, taken from the act of June 4, 1897 (30 Stat. 11, 35; 16 U. S. C. 475), has greater stature in previous law than does "sustained yield"; (2) it seemed desirable to include the phrase "as far as practicable" in order to avoid the imposition of a rule in circumstances in which it might be unworkable; (3) the 100-year provision in the Senate version of the bill was believed to be less conducive to full-scale scientific management than the in perpetuity provision which was, in effect, written into the House version.

In conference a merger of the desirable portions of these two texts was agreed to. As a result, the language recommended is "as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber." The conferees believe that this language will impose neither more nor less stringent requirements on private purchasers in the management of their Klamath Forest lands than is imposed on the management of national forest lands by the Forest Service. In those areas where the forest lands can be operated under sustained yield procedures, these will be followed, but in areas where this is impracticable they will not be required. Finally, under the conferees, recommended language, scientific management in perpetuity of the forests will be assured.

The managers on the part of the House take particular note of the definition of sustained yield in the Society of American Foresters' publication entitled "Forest Terminology" (3d edition, 1958): "As applied to a policy, method, or plan of forest management, [this term] implies continuous production with the aim of achieving, at the earliest practicable time, an approximate balance between net growth and harvest, either by annual or somewhat longer periods."

The second modification of the House version of the bill that was agreed to merely ties the fourth sentence of subsection (b) of the proposed section 28 to the matter just discussed.

The third modification corrects the word "approval" in the fifth sentence of subsection (c) of the proposed section 28 to read "appraisal."

The next two changes occur in subsections (d) and (f) of the proposed section 28. Subsection (d) establishes the time at which the Secretary of Agriculture shall take title for the United States to any forest units which are not purchased by private companies. Subsection (f) establishes the time at which title shall be taken to the area comprising the Klamath Marsh. The Senate used January 1, 1961, in both instances. Since the House version includes provision for a review of the appraisal of the resources within the Klamath Reservation, it adopted a later date, July 1, 1961. The conferees recommend April 1, 1961, as a suitable time for these events to occur.

In section 5 of the bill, the House conferees receded from the House amendment with respect to the election to withdraw or remain in the tribe. Deletion of the words "review of" removes an ambiguity and avoids possibility of a delay in the termination program and additional cost by the holding of a second election.

In all other respects, the Senate conferees accepted the House amendment. This includes, particularly, the House provisions for review of the appraisal of the Klamath Tribe's resources, for deferring sale of any forest units until April 1, 1959, and for termination of the management specialists' contract. The retention of this last provision is called for by the substantial completion by the management specialists of their work and is not intended to reflect on the integrity or usefulness of the service rendered by them.

JAMES A. HALEY,
WAYNE N. ASPINALL,
STEWART L. UDALL,
WILLIAM A. DAWSON,
JACK WESTLAND,
Managers on the Part of the House.

COMMITTEE ON RULES

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

INTERNATIONAL EXPOSITIONS

(Mr. HIESTAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HIESTAND. Mr. Speaker, I am introducing a joint resolution today to authorize the President to designate the vicinity of Los Angeles, Calif., as the site of the next World's Fair in 1963.

The attendance at the Brussels fair indicates a continuing worldwide interest in these great fairs, and we now have assurance of a competent management group in Los Angeles, able and willing to promote the fair. Resolutions of the City Council of Los Angeles and the board of county supervisors have approved the project. Presidential designation will authorize us to go ahead.

There are international industrial expositions being promoted, but they are for periods of short duration: 2 weeks in 1959 in Los Angeles, in Chicago, in the Lake Champlain area, and in Oregon. Seattle is planning a Pan Pacific exposition in 1961.

The 1928 Convention of Nations, to which the signatory countries have obligated themselves not to participate in or recognize another world's fair until 6 years have elapsed since the last one, has held that the 6 years would be considered as between the closing of 1957 and the beginning of 1963. Thus, it seems probable that the Bureau Internationale des Expositions will approve it.

A number of my colleagues from California are joining me in this proposal.

H. R. 8772

(Mr. DOYLE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DOYLE. Mr. Speaker, H. R. 8772 was adopted by this House of Representatives on August 5, 1957, under suspension of the rules by the overwhelming vote of 226 to 8. It then went to the Senate side. The Senate Armed Services Committee immediately asked for a report from the Pentagon which, by the way, had made report on the bill and opposed the bill before the House Armed Services Committee in special subcommittee hearings, and afterward as well. No report emanated from the Pentagon to the Senate Armed Services Committee for about 2½ months; not until I pressed the matter of what clearly, to me, was an untoward and unnecessary delay to Assistant Secretary of Defense Stephen Jackson, who promptly followed it up and saw that the report did come forward after the Budget Bureau promptly said it had no objection to the bill being submitted to the Senate.

Recently the Senate Armed Services Committee decided to not try to take the time to consider it before adjournment.

But, Mr. Speaker, and my colleagues, you will be pleased to know the other day when I had conference with Mr. VINSON, distinguished chairman of the House Armed Services Committee, about the status of H. R. 8772, he himself suggested the same bill be filed early in the first session of the 86th Congress and pressed forward promptly to the attention of the House again. Therefore, my

20. FORESTRY. Agreed to the conference report on S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing alternatives for private or Federal acquisition of the part of the tribal forest that must be sold. This bill will now be sent to the President. pp. 16203-07

Sen. Morse inserted correspondence with the Small Business Administration and lumber organizations discussing a small business set-aside program for timber. pp. 16252-54

21. PERSONNEL. Passed without amendment H. R. 1168, to restore the pay of officers or employees to the grade level held before downgrading in certain cases. This bill will now be sent to the President. p. 16188

The Joint Committee on Reduction of Nonessential Federal Expenditures submitted a report on Federal employment and pay for June 1958. pp. 16128-31

22. RECLAMATION. In compliance with the resolution passed by both Houses the President returned enrolled bill S. 4002, to authorize the Gray Reef Dam and Reservoir of the Glendo unit, Missouri River Basin project. p. 16124

23. NOMINATIONS. The Post Office and Civil Service Committee ordered reported the nomination of Barbara Bates Gunderson to be a Civil Service Commissioner. p. D851

Confirmed the nomination of Bertha S. Adkins to be Under Secretary of the Department of Health, Education, and Welfare. p. 16126

24. WATER RESOURCES. Sen. Johnson stated that Texas needed a comprehensive plan for development of its water resources and announced that he planned to call up his bill S. 4266, to provide for a Federal study commission of Texas river basins, at an early date. pp. 16166, 16170

25. MILITARY CONSTRUCTION. Passed with amendments H. R. 13489, the military construction appropriation bill for 1959. Senate conferees were appointed. House conferees have not been appointed. pp. 16170, 16171-3

26. LEGISLATIVE PROGRAM. Sen. Johnson announced that he expected the Senate would consider the social security bill today, Aug. 15. p. 16170

ITEMS IN APPENDIX

27. FARM PROGRAM. Extension of remarks of Rep. Gubser citing the British decision to establish commercial import quotas instead of relying on aid shipments for fruits as an example of the results achieved by Secretary Benson's use of market development instead of subsidization. p. A7279

Rep. Whitener inserted an editorial urging passage of farm legislation to allow higher acreage allotments for cotton and rice farmers. p. A7301

Sen. Langer inserted a Farmers' Union-GTA broadcast opposing passage of any farm legislation lowering price supports. pp. A7317-18

Sen. Yarborough inserted an article urging passage of the farm bill to maintain cotton acreage allotments. p. A7325

28. SURPLUS FOOD. Sen. Bridges inserted an editorial opposing shipment of food abroad and urging that surpluses be stored in the U. S. for civil defense purposes. p. A7260

29. MEXICAN FARM LABOR. Rep. Hosmer inserted an article commending the operation of the Mexican Farm Labor program in reducing the number of illegal transients across the U. S.-Mexico border. pp. A7334-5

Aug. 14, 1959

SENATE

11. SUPPLEMENTAL APPROPRIATION BILL, 1959. Began debate on this bill, H. R. 13450 (pp. 16141, 16142, 16154, 16173, 16229-51, 16259). Rejected an amendment by Sen. Sparkman, 31 to 47, which would have appropriated $75,000 for farm housing research by land-grant colleges (pp. 16233-38).

Attached is a table reflecting the actions of the Appropriations Committee in reporting the bill, and excerpts from the Committee report, as they affect this Department. The Committee also made various other changes including the following:

Increased from $2,750,000 to $2,850,000 the item for administration of the Ryukyu Islands, under the Army Department, with an authorization for the President to transfer any of this work to other departments. Added an item of $5,100,000 for purchase of foreign currencies (pursuant to Public Law 480) for disseminating scientific and technological information and supporting scientific activities overseas (at the discretion of the President), to remain available until expended. Added an item of $2,915,000 for Office of Defense and Civilian Mobilization.

12. ADMINISTRATIVE ORDERS. Passed without amendment H. R. 6788, to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the laws relating thereto. This bill will now be sent to the President. p. 16175

13. FARM LABOR. Passed without amendment S. 4232, to extend the Mexican farm labor program for 1 year, to June 30, 1960. p. 16176

14. PURCHASING. Passed with amendments S. 3224, to assist small business firms to obtain a fair share of Government purchases and contracts and to expedite Government procurement. pp. 16176-7

15. VIRGIN ISLANDS. Passed as reported H. R. 12226, to extend until June 30, 1969, the charter of the Virgin Islands Corporation, including new authority to operate salt water distillation facilities and continuation of authority for sugar production. p. 16183

16. HUMANE SLAUGHTER. Sen. Purtell inserted the letter he and Sens. Humphrey and Neuberger sent to the President urging him to sign the humane slaughter bill. p. 16202

Sen. Humphrey commended Christian P. Norgord, former Washington representative of the American Humane Ass'n, for his work on behalf of humane slaughter legislation. p. 16258

17. RESEARCH. The Labor and Public Welfare Committee reported with amendment S. 3268, to provide various amendments to the National Science Foundation Act (S. Rept. 2367). p. 16127

18. SOCIAL SECURITY. The Finance Committee reported with amendment H. R. 13549, to increase the annuities under the Social Security Act (S. Rept. 2388). p. 16127

19. ELECTRIFICATION. The Public Works Committee reported without amendment S. 3571, to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the U. S. (S. Rept. 2377). p. 16127

Sen. Murray urged additional funds for construction of the Yellowtail Dam of the Missouri River Basin to provide additional electric power. pp. 16169-70

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 424) to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 8002. An act to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations; and

H. R. 11133. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes.

The message further announced that the House had passed a bill (H. R. 13254) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 1244. An act to provide for the development by the Secretary of the Interior of Independence National Historical Park, and for other purposes;

H. R. 3140. An act for the relief of Erika Gorenstein Nathanson;

H. R. 4635. An act to provide for settlement and entry of public lands in Alaska containing coal, oil, or gas under section 10 of the act of May 14, 1898, as amended;

H. R. 7330. An act for the relief of Demetrius Daskalakis;

H. R. 7725. An act for the relief of Shizuko Sese Sheveland;

H. R. 8478. An act amending the Hawaiian Homes Commission Act to permit the establishment of a post office on Hawaiian homelands, and for other purposes;

H. R. 11123. An act providing for the extension of certain authorized functions of the Secretary of the Interior to areas other than the United States, its Territories and possessions;

H. R. 13021. An act to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes;

H. J. Res. 620. Joint resolution for the relief of certain aliens; and

H. J. Res. 636. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

HOUSE BILL REFERRED

The bill (H. R. 13254) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety, was read twice by its title and referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY obtained the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator from Massachusetts losing his right to the floor.

The PRESIDING OFFICER. Is there objections? The Chair hears none, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, there are several conference reports to be considered. One will be presented by the Senator from Oregon; another by the Senator from New Mexico; and perhaps another by the Senator from Virginia.

I ask unanimous consent that the Senator from Massachusetts [Mr. KENNEDY] may be recognized, that he may yield for the purpose of having the various conference reports considered, and that he again be recognized at the conclusion of their consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, there is a bill on the Legislative Calendar, H. R. 9833, whose disposition has been worked out satisfactorily with the Senator from Texas [Mr. YARBOROUGH], who had objected to its consideration on the calendar. I wonder whether we could consider it before the Senator from Massachusetts proceeds.

Mr. JOHNSON of Texas. No; I have asked the Senator from Massachusetts to wait all day. As soon as he concludes, I wish to take up 4 or 5 other bills of the general classification of the bill the Senator from Tennessee has reference to, which do not involve controversies. If the Senator will indulge me for a short time, we will get to his bill also.

Mr. KEFAUVER. Very well.

TERMINATION OF SUPERVISION OVER KLAMATH TRIBE OF INDIANS—CONFERENCE REPORT

Mr. NEUBERGER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 12, 1958, pp. 15571–15572, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. NEUBERGER. Mr. President, the submission of this conference report culminates 2 years of effort to amend the Klamath Termination Act of 1954 in order to provide for an equitable termination of Federal supervision over the Klamath Indians of Oregon, and to assure the preservation of the Klamath Indian forest and marsh lands. I am pleased to report that we have a bill today which clearly provides for accomplishing the major goals we sought.

The hearings and the legislative debate earlier tell the complete story, and I shall not detain my colleagues again with history. Today we are correcting a legislative error which was made in the 83d Congress, and we are doing it virtually at the 11th hour. However, this bill is not a frantic piece of last-minute legislation. The committee has worked long and hard on this problem both in the 84th and 85th Congresses. This final bill has had over 6 months of careful review in both Houses.

In order that all will be fully informed on the major improvements, let me cite them quickly.

As passed by the Senate, S. 3051 provided for "sustained-yield" forest management. The House eliminated this language and inserted as the equivalent, no more, no less than the high level of forestry on the national forests. Since the section of the bill dealing with forest management applies to possible private purchasers, the conferees have agreed that the purchasers shall operate the forest "as far as practicable according to sustained-yield procedure so as to furnish a continuous supply of timber."

There is recognition that in separating some of the few very small tracts which, while timbered, are not susceptible to sustained yield, that this provision may not apply. For the 11 to 15 major forest units comprising over 95 percent of the reservation forestry, the minimum requirement—I am happy to report—will be sustained-yield forestry. We have agreed to apply the foresters' definition of sustained yield, to set the national forest statutes as a guide, and for the years of practice on the national forests to set the standard. There is full opportunity to practice sustained-yield forestry on these units, and of course this includes reducing the rate of cut when there is a drop in economic activity or stepping up the thinning of insect-plagued or fire-killed trees, if calamity strikes.

The goal will be not only to strive to maintain by plan, but also to maintain in fact the growing stock needed to provide the highest timber yield in perpetuity. The language and the intent

will not permit accelerated cutting to satisfy a craving for monetary returns at the expense of a fully stocked forest. The forest owner will be able to bank on not only continuous, but maximum timber production. This bill clearly and unequivocally assures sustained-yield forest management. The executive branch has a clear mandate, and prospective private purchasers can have complete confidence in this requirement.

I say quite candidly that if I could not make such a statement, if I could not assure the Senate that sustained yield was assured, I would advise you in detail. As further proof of the common agreement among the conferees, we have provided for a perpetual sustained-yield management of the timber, rather than for 100 years, as provided in the bill as passed by the Senate.

I turn now to the second major point in conference—a House provision for an appraisal review. The House suggested, and rightly so, that another improvement was needed for the benefit of the Klamath Indians. They need to be assured of a fair price without resorting to expensive litigation. We have empowered the Secretary to select 3 competent appraisers who will have 2 tasks. First, they will take the existing appraisal data and review it to assure that the fair market value is set based on the sale of the resources without restriction as to use. Secondly, they will be expected to determine whether, through error or oversight, any resource value has been overlooked by the previous appraisal. We have provided for this final assurance at Government expense. The Senate conferees agreed to the recommendation expressed by the House colleagues and accepted this amendment as desirable to give further good faith and assurance to the Klamath Indian tribal people.

Finally, we have recognized that this provision and the general situation make it desirable to relieve the Government and the tribe of the expense of the management specialists and their staff. Their job has been well done. They have fulfilled their mission with integrity and distinction. The Klamath Tribe, the city of Klamath Falls and Klamath County, the people of Oregon, and this Nation owe a real debt to Tom Watters, Eugene Favell, and their able forester Earle Wilcox, for the devoted, conscientious public service they have given. They have provided the highest type of public service. We are indebted to them for the strength they lent to our efforts.

This has been a truly bipartisan achievement. Secretary of the Interior Fred A. Seaton, Secretary of Agriculture Ezra Taft Benson, and Under Secretary of the Interior Hatfield Chilson, men like Ed Crafts, of the Forest Service; Rex Lee and Lewis Sigler, of the Bureau of Indian Affairs; have worked long and hard in the executive branch to bring before us the best possible solution to the Klamath situation. Our Senate conferees—the Senator from New Mexico, Mr. ANDERSON; the Senator from Idaho, Mr. CHURCH; the Senator from Utah, Mr. WATKINS; the Senator from Arizona, Mr. GOLDWATER; and my other colleagues in the Interior Committee—especially our distinguished chairman, JAMES E. MURRAY, of Montana—have been constant in their efforts to find the fair solution. In the House, Congressman ULLMAN, and the House conferees, Congressmen ASPINALL, UDALL, HALEY, DAWSON, and WESTLAND have been very helpful in the consideration of this entire problem. One of the outstanding conservationists in the House, LEE METCALF, though not a member of the Interior Committee, showed his continued friendship and interest in the Indian people and the conservation problems.

Like myself, Representative ALBERT C. ULLMAN, of the Second Oregon Congressional District, had nothing to do with the original mistakes made in the act of 1954, known as Public Law 587. The vast Klamath Reservation lies within the Second Oregon District. Mr. ULLMAN set to work with me to try to correct the blunders made by that act, to repair the damage before it became catastrophic. Neither of us engaged in recriminations, we did not go back and point the finger of political blame. We sought to brighten the future, not to tarnish the past. I want the record to show that Congressman ULLMAN has given me complete and unselfish cooperation, and I trust that he shares that opinion of my efforts to work with him.

This bill is the product of the efforts of many. It meets the criteria needed to assure a fair and just termination of Federal supervision over our Indian citizens. For those who wish to organize into an entity, there is provision. For those who wish to depart, fair treatment is accorded. Fair value for property sold is a cardinal principle of the bill. Finally, God's heritage to mankind—the soil and the water, grass, trees, and the birds and animals that comprise the Klamath forest, range and swamp—are protected in perpetuity from the ravages of those whose narrow vision and selfish interest would devastate or exploit these resources.

Mr. President, certain documents are pertinent to the solution which I hope the United States Senate will ratify today. One is my correspondence with Secretary of Agriculture Benson regarding what policy should be supported in the Senate-House conference, another is my correspondence with my distinguished senior colleague [Mr. MORSE] regarding the same question. I believe my letters to Secretary Benson and Senator MORSE should be printed in the RECORD at this point, along with their replies to me.

I ask unanimous consent that the correspondence may be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 25, 1958.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: I am sure you are aware of the amendments to S. 3051 which the House Committee on Interior and Insular Affairs has recommended in its report on that bill, particularly those changes that would eliminate the specific references to sustained yield.

Under the provisions of the bill as passed by the Senate and as reported out by the House committee, the Secretary of Agriculture would not only have the responsibility of developing jointly, with the Secretary of the Interior, the specifications and minimum requirements to be included in the invitation for bids for forest units to be sold, but would also have the sole responsibility of approving the plans submitted by prospective purchasers. Furthermore, the Secretary of Agriculture would be solely responsible for enforcing compliance with the approved management plans on forest units sold.

In view of these responsibilities which would be placed on you by the bill, I would like to have your views as to your preference between the provisions in the bill as passed by the Senate with respect to sustained yield, and the provisions as recommended by the House committee.

Sincerely yours,

RICHARD L. NEUBERGER.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 29, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: This is in reply to your request of July 25 for the views of this Department with respect to changes in S. 3051 which have been recommended by the House Committee on Interior and Insular Affaire.

S. 3051, as it was passed by the Senate, contained specific provisions that purchasers of Klamath Indian tribal forest lands would be required to manage the lands according to sustained-yield plans. Specific reference is made to sustained yield in several places. The amendments recommended by the House Committee on Interior and Insular Affairs would strike out all specific references to sustained yield and would substitute the provision that purchasers of the forest lands would agree to manage them "as far as practicable so as to furnish a continuous supply of timber."

The bill as reported out by the House committee would still provide for the submission of management plans according to specifications and minimum requirements developed jointly by the Secretaries of the Interior and Agriculture and the approval of the management plans by the Secretary of Agriculture. The Secretary of Agriculture would be responsible for enforcing compliance with the plans.

The Department of Agriculture greatly prefers the language on this point contained in the bill as it passed the Senate.

The Senate-passed bill is the same on this point as the draft bill submitted to the President of the Senate on January 13 by the Secretary of the Interior. This Department collaborated with the Department of the Interior in drafting that bill, and concurred in recommending its enactment.

One of the basic and fundamental purposes of recommending the enactment of S. 3051 was to assure the continued conservation and management, under principles of sustained yield, of the tribal forest lands that are to be sold. The advocates and supporters of this legislation have stressed the utmost importance of providing for the management of this important timber resource under principles of sustained yield. Testimony in the hearings on the bill contain many statements on the necessity of assuring proper management of these land and timber resources so vital to the Klamath basin. The significance of this conservation objective of the bill cannot be overemphasized.

In reporting the bill out with its amendments, the House committee explained that the act of June 4, 1897 (30 Stat. 11, 35),

specifies that one of the purposes for which national forests are established is to furnish a continuous supply of timber. The committee stated that it was considered appropriate to use this same language with reference to the tribal forest lands to be sold under the bill. The 1897 act also directs the Secretary to make such rules and regulations and establish such services as will insure the objects of such reservations.

In line with this, the regulations of the Secretary of Agriculture (36 CFR 221.3 (Reg. S-3)) direct that management plans for national forest timber resources * * * shall * * * be based on the principle of sustained yield, with due consideration to the condition of the area and the timber stands covered by the plan. Within the framework of this regulation, the Forest Service manual defines the principle of sustained yield and states: "The policy is to manage each national forest working circle so that it will produce a maximum sustained yield of the products it is best suited to grow." This has been the guiding conservation principle under which the national forests have been managed for years. We feel it is a highly desirable one and certainly believe that it is within the framework of applicable statutory provisions.

The language recommended by the House committee would, under that interpretation, make it possible to adhere to sustained-yield principles in the management plans to be required of purchasers. This department would plan to do so in the development of specifications and minimum requirements and in the approval of management plans.

We would be greatly concerned, however, if the Congress should adopt the House committee language instead of the specific references to sustained yield contained in the bill so strongly recommended by the Secretary of the Interior and the Secretary of Agriculture. Such language substitution would be used as a basis of contending that the Congress meant to prescribe for these lands management at lower standards than sustained yield.

Under the normal rules of statutory construction consideration must be given to differences in language adopted by the two Houses of Congress. Unless there is clear indication to the contrary it is presumed that where different language is used a different meaning is intended. This could easily precipitate efforts to litigate the matter in the courts. Any litigation can consume a considerable period of time and involves inherent uncertainties as to its outcome, no matter how confident either side might be. Abandonment by the Congress of specific references to sustained yield and substitution of the other language could not be escaped in any litigation so precipitated.

Another obstacle that would have to be overcome in successfully resisting such a contention is that the State of Oregon's Forest Conservation Act states that among other things "the continuous growth of timber on lands suitable therefor are declared to be the public policy of Oregon" (O. R. S. 527.030). It further explains the reasons for certain provisions as "to maintain continuous forest growth." We know of no one who claims that the Oregon Forest Conservation Act provides for sustained-yield management of forest lands. Under the House committee language, someone might seriously contend that the requirements of the Oregon law, which are far less than sustained yield, are the same as should be applied to the purchasers of the Klamath tribal forest lands.

Furthermore, any litigation resulting from legislation applicable to this limited Klamath area, but with such a legislative history, might needlessly raise the question of the interpretation of the language applicable to the national forests. This might be a practical result even though the 1897 act is free of legislative history involving language substitution such as would becloud the Klamath legislation.

This Department believes it is highly desirable to avoid all of these uncertainties. The sustained-yield purpose of this legislation is so important that we believe the intent of Congress should be stated in clear and certain terms.

The term "sustained yield" is an accepted and understood term in the forestry profession. It is defined by the professional Society of American Foresters in its Forest Terminology: A Glossary of Technical Terms Used in Forestry. There would be no uncertainty as to its meaning if it is retained in the bill.

In conclusion, the Department of Agriculture feels that deletion by the Congress of all reference to sustained yield in S. 3051 would be widely interpreted as a weakening of the conservation objectives of the bill. We would greatly prefer that this basic conservation purpose of S. 3051 be assured by using the specific references to sustained yield.

Sincerely yours,

E. T. BENSON,
Secretary.

JULY 30, 1958.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR WAYNE: You are familiar, I know, with the changes which the House of Representatives made in S. 3051, the bill to preserve the timber stands of the Klamath Indian Reservation.

The most important of these changes, of course, is the substitution of the phrase "continuous supply of timber" for "sustained yield" as the standard of timber management which must be met by any plan of disposition of timber tracts under this bill.

I understand from AL ULLMAN that you have told him of your willingness to go along with the view that it would be advisable for the Senate to accept this change made in the bill as it passed the House. As you know, as chairman of the Senate Indian Affairs Subcommittee, I shall very soon have to decide whether to recommend acceptance of the House changes, or whether to try to restore the Senate language in conference. Since this entire problem exists specifically in the State which you and I represent in the Senate, I would naturally appreciate having your advice and counsel with respect to the course to be followed in the Senate. Is it your view that the Senate should accept the bill as amended by the House, or is it your view that the Senate should seek restoration in conference of the language of S. 3051 as passed by the Senate, particularly with respect to the different phrasing of the sustained yield requirement?

With good wishes, I am

Sincerely,

RICHARD L. NEUBERGER.

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
August 2, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR DICK: Thanks for your letter of July 30 on the Klamath Indian Reservation matter. My suggestion is that you and AL ULLMAN try to reach an agreement on the final language of the Klamath Indian Reservation bill as the two of you believe it should come out of conference.

If you and AL cannot reach an agreement, then I suggest that the two of you ask CHARLIE, EDITH, and me to join you over a cup of coffee some afternoon and see if the five of us can agree upon a satisfactory solution to any difference that may exist between you and AL. As you know, I respect the right of each member of the delegation to exercise an independence of judgment after listening to the views of all other members of the delegation. You and AL are the two members of the delegation who, in my opinion because of your committee positions, have the major responsibility of resolving this problem.

If the House bill meets the main objectives we have in mind and if adopting it would be of particular help to ULLMAN, then I would be willing to take that version of the bill. If, on the other hand, the language of your proposal is essential to protecting a sustained yield program and that program would be lost under the House bill, then I should think we would hold out for the Senate version. However, it is my understanding from what AL has told me that a sustained yield program would be protected in the House version.

The one thing we have to watch out for is that we don't end up with no bill at all.

Sincerely yours,

WAYNE MORSE.

Mr. NEUBERGER. Mr. President, I believe my inclusion of this correspondence, one with a leading Republican like Secretary Benson and the other with a prominent Democrat like Senator MORSE, will indicate how bipartisan we have tried to be in handling this whole issue, and in avoiding partisan wrangles or difficulties.

The press of the State of Oregon was most faithful and diligent in informing public opinion in the realm where the human and natural resources of the Klamath Reservation are located. I will not enumerate all these editors and publishers, lest I be guilty of omission which would be unfair. However, I think it is safe to say without contradiction that nearly every daily and weekly newspaper in Oregon has advocated a bill which would safeguard the timber and waterfowl marsh and also do financial justice to the Indians. S. 3051, in its present form, is such a bill.

An article and some editorials from the Oregon press are timely to this conference report, and I ask unanimous consent that they be published at this point. They are from the Salem Statesman, July 29; the Eugene Register-Guard, July 29; the Journal, July 31; the Oregonian, August 1.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Salem Statesman of July 29, 1958]

IT SEEMS TO ME

By Charles A. Sprague

American Forests, the magazine of the American Forestry Association, reports in its August number there are signs that private industry may be interested in purchasing forest lands now owned by the Klamath Indians when it is offered for sale under the termination act. Whether this interest springs from the prospect of less rigorous conditions on the land sales or from a reviving confidence in the lumber industry, no one on the outside can say. The degree of interest is by no means manifest, but the fact of it seems to be accepted.

The first report was that a coalition of eastern insurance firms might turn to Klamath timberland for long-time investment. The AF editor's query drew the response from a representative of the Equitable Life Assurance Co. of New York that there was no coalition, but that his company had received inquiries from possible private purchasers, and that his company was ready

to lend money to timber with initiative behind it.

The pending Seaton bill, which has passed the Senate and been altered somewhat in the House subcommittee, calls for the offer of blocks of Klamath lands for sale at appraised prices, subject to conditions covering forestry management. The Senate version called for sustained yield for 100 years. The House calls for purchasers to get approval of their plans for continuous forestry without limit of time. What worries Senator NEUBERGER is that the House language does not seem to provide as strong a guaranty of maintaining the forests as the Senate insistence on sustained yield. Just now, pending House action and reference of the bill to a conference committee, senators and others are analyzing closely the House phraseology. Governor Holmes wired his protest, but Congressman ULLMAN defended the text as the best obtainable, and had inserted as committee comment the intention continuously to crop the lands with trees. It may be that we will be safe under the House version, but if possible the intent of sustaining forest production should be specified in the bill.

The fresh interest of private operators may spring from the realization that the Seaton bill will pass, and that if they want to be sure of a timber supply in the Klamath area they had best get ready to bid for tracts rather than to try to defeat the bill by crash protests. If the lands should be acquired by some of the big paper or lumber companies the prospect is good that they will be administered for continuous tree production. Tree farms all over the country testify to the keen interest of such industries to insure a continuing supply of logs, which can only be done through practice of conservation.

Oregonians will be fully satisfied if the lands are acquired by those willing and capable of sustained managed yield. They will not quibble over the wording, but want the language clear and positive, with no chance of mistaking the meaning of the terms of sale. But it is interesting to note this possible change of front on the part of private operators. And yet it isn't surprising. The Klamaths own about the largest stand of virgin ponderosa pine remaining, and purchase of blocks of it give assurance of a future supply of high-grade timber, under proper management.

[From the Eugene Register-Guard of July 29, 1958]

WATCH THAT PHRASE

Soon the House will have to vote on the Seaton bill dealing with the Klamath Indian Reservation lands as passed by the House Interior Committee. The chances are that the House will approve it but it differs in a key point from the bill as passed unanimously by the Senate.

The Senate bill, with the leadership of Senator NEUBERGER, called for sustained-yield management of the huge stands of ponderosa pine on the reservation if purchased by private operators. But the House version dangerously weakens this vital plank by saying purchasers shall manage the forests as far as practicable so as to furnish a continuing supply of timber.

If the timber is managed so as to supply timber continuously, it will last forever presumably, although Forest Service people and others are not too sure that would be the correct meaning. But regardless, the initial phrase of that sentence is too large a loophole.

We would prefer to see the sustained-yield language of the Senate version restored. There is no question as to what it means. And we know if the differing versions of the bill get to a Senate-House conference that Senator NEUBERGER and others will fight for its adoption. The days of cut-and-get-out-logging, we hope, are long gone in Oregon and Congress should be certain that such practices cannot take place on the vast timber stands on the Klamath Indian Reservation.

[From the Oregon Journal, Portland, Oreg., of July 31, 1958]

HOUSE KLAMATH BILL NEEDS STRENGTHENING

The House version of the Klamath Indian bill which passed Tuesday offers greater protection for the great stand of pine timber involved in termination that it would have without such legislation.

But the United States Forest Service has offered the expert opinion that the House bill is less protective than it should be, and it greatly prefers the language contained in the Senate bill.

This opinion has been conveyed in a letter signed by Ezra Taft Benson, Secretary of Agriculture, to Senator RICHARD L. NEUBERGER, who had sought Forest Service advice, saying that his action in the future would be guided by it.

On the basis of what the Forest Service now says, NEUBERGER intends to seek in a Senate-House conference committee, which he will head, restoration of language contained in the Senate bill. There has been some difference of opinion between NEUBERGER and Representative ULLMAN, Democrat of Oregon, on this point, but the weakening of the Klamath bill in the House is not to ULLMAN's discredit, for he resisted great pressure to make it weaker than it is and he faced considerable opposition to any legislation at all.

The House bill does eliminate the threat of almost immediate clear cutting contained in the unamended Klamath Termination Act of 1954; it assures the Indians a fair price for the timber, and it protects the great Klamath marsh as a feeding ground for migratory birds.

Whether Senator NEUBERGER is successful in strengthening the bill or not, and we hope he is, the passage of this legislation must be regarded as perhaps his most significant accomplishment in behalf of Oregon this session. It is to be recalled that NEUBERGER had unselfishly abandoned his own Klamath bill, then, working hand in glove with the Interior Department, labored tirelessly in behalf of the measure which bore the name of Fred Seaton, Secretary of the Interior.

[From the Oregonian, Portland, Oreg., of August 1, 1958]

SUSTAINED-YIELD ISSUE

When the Klamath Indian Reservation bill (S. 3051) goes to Senate-House conference, probably early next week, the Senate conferees will be armed with a letter from Secretary of Agriculture Benson strongly urging restoration of the original language requiring sustained-yield cutting of the timber.

Senator NEUBERGER, chairman of the Senate conferees, shares this view and should be backed by his group, Senators CHURCH, ANDERSON, GOLDWATER, and WATKINS. But the House conferees, if they choose to hold tough, have the upper hand. This bill must absolutely be adopted, in some form, to prevent immediate dumping of the Indians' pine forest on a depressed market, with no safeguard against clear cutting, under the 1954 Termination Act.

The House Committee on Interior and Insular Affairs, evidently impressed by a minor segment of the lumber industry, removed from the bill the language requiring sustained-yield harvesting by private purchasers. It substituted a provision that purchasers would agree to manage the forest lands "as far as practicable so as to furnish a continuous supply of timber."

There is a question as to whether or not any private timber company will bid on any of the big blocks which must be offered for sale before the Government is authorized to buy the forest lands, at a cost not exceeding $90 million, to pay off the 70 percent of the Indians who voted to withdraw from the reservation. This doubt arises from the high minimum price, which is based on a "realization value."

But Secretary Benson believes this weakening of the language would provide opportunity for court tests and harassing delays should the Department of Agriculture, which administers the national forests, adhere to its sustained-yield regulation in later sales of Klamath timber to mills of the area.

The Forest Service, said Mr. Benson, would attempt to adhere to sustained-yield principles in the development of specifications for bids. But he said the language substituted by the House would be used as a basis of contending that the Congress meant to prescribe for these lands management at lower standards than sustained yield.

The House version is similar to requirements of the Oregon Forest Conservation Act for "continuous growth" practices. But, said Mr. Benson: "We know of no one who claims that the Oregon Forest Conservation Act provides for sustained-yield management of forest lands. Under the House committee language, someone might seriously contend that the requirements of the Oregon law, which are far less than sustained yield, are the same as should be applied to the purchasers of the Klamath tribal forest lands."

"Furthermore," said Secretary Benson, "any litigation resulting from legislation applicable to this limited Klamath area, but with such a legislative history, might needlessly raise the question of the interpretation of the language applicable to the national forests.

"This Department believes it is highly desirable to avoid all of these uncertainties. The sustained-yield purpose of this legislation is so important that we believe the intent of Congress should be stated in clear and certain terms."

The term "sustained yield" is clearly defined in Forest Service regulations and clearly understood by timbermen. This protection to the Klamath Basin watershed is essential. And, as Mr. Benson points out, any deviation from sustained yield could be the opening wedge in a drive to weaken the sustained-yield regulation for management of all national forests. Oregon must continue to demand the sustained-yield language of the administration bill adopted by the Senate.

Mr. NEUBERGER. Mr. President, I also ask unanimous consent to include in the CONGRESSIONAL RECORD a telegram approving the bill presently before us, which I have just received from the eminent Governor of Oregon, the Honorable Robert D. Holmes. No State chief executive could have been more consistently and effectively cooperative than has been Governor Holmes, during the entire effort over the past 2 years to reach a feasible legislative solution to this thorny and difficult problem.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., *August 13, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Congratulations and warm thanks for your leadership on Klamath Indian timber bill compromise. Feel language for which you so ably argued gives us assurance of sustained yield program and watershed and

other resource protection. Am glad you and AL worked together on this.

Thanks again.

ROBERT D. HOLMES,
Governor.

Mr. NEUBERGER. Mr. President, I ask that the Senate adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. NEUBERGER. Mr. President, now that we have completed action on the conference report regarding S. 3051, the Klamath Indian Reservation purchase bill, I desire to include in the RECORD splendid letters in tribute to the services of the Klamath management specialists from Senator JAMES E. MURRAY, the distinguished chairman of the Senate Interior and Insular Affairs Committee, and from Senator ARTHUR V. WATKINS, of Utah, ranking Republican member of the Senate Indian Affairs Subcommittee.

I have great faith in the integrity and sincerity of Senator JIM MURRAY and Senator ARTHUR WATKINS. They would not write these letters unless they were fully deserved.

The letters have gone to Thomas B. Watters, chairman of the Klamath management specialists; to Eugene G. Favell, who recently retired from this board; and to Earle Wilcox, their able chief forester who is thoroughly familiar with the vast reaches of the Klamath pine forest.

I desire to endorse the expressions of commendation and approval and praise contained in the letters from Senators MURRAY and WATKINS to the Messrs. Watters, Favell, and Wilcox. I ask unanimous consent, Mr. President, that the letters be published in the RECORD at this point.

Mr. Watters and Mr. Wilcox are residents of Klamath Falls, Oreg., and Mr. Favell makes his home in Lakeview, Oreg. They are all outstanding citizens of our great State.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
August 12, 1958.

Mr. T. B. WATTERS,
Chairman, Management Specialists,
Klamath Falls, Oreg.

DEAR MR. WATTERS: We want to take this opportunity to express to you our warm appreciation for the dedicated service you have given to your task of assisting in assuring an orderly termination of Federal supervision over the Klamath Indians.

The success of representative government depends upon the contributions our citizens make. We know that no salary could recompense you for the trials you have had. At the same time, we also know that you have received rich rewards that cannot be measured in dollars.

As we appraise the progress of this termination program, we are convinced that your willingness to serve the Klamath people, your community, and your Nation has been one of the great contributions toward promoting constructive understanding of the problem we faced.

Please accept our sincere congratulations on a job well done.

Sincerely yours,

JAMES E. MURRAY,
ARTHUR V. WATKINS.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
August 12, 1958.

Mr. EARLE WILCOX,
Management Specialists,
Klamath Falls, Oreg.

DEAR MR. WILCOX: We want to take this opportunity to express to you our warm appreciation for the dedicated service you have given to your task of assisting in assuring an orderly termination of Federal supervision over the Klamath Indians.

The success of representative government depends upon the contributions our citizens make. We know that no salary could recompense you for the trials you have had. At the same time, we also know that you have received rich rewards that cannot be measured in dollars.

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Please accept our sincere congratulations on a job well done.

Sincerely yours,

JAMES E. MURRAY,
ARTHUR V. WATKINS.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
August 12, 1958.

Mr. EUGENE G. FAVELL,
Lakeview, Oreg.

DEAR MR. FAVELL: We want to take this opportunity to express to you our warm appreciation for the dedicated service you have given to your task of assisting in assuring an orderly termination of Federal supervision over the Klamath Indians.

The success of representative government depends upon the contributions our citizens make. We know that no salary could recompense you for the trials you have had. At the same time, we also know that you have received rich rewards that cannot be measured in dollars.

As we appraise the progress of this termination program, we are convinced that your willingness to serve the Klamath people, your community, and your Nation has been one of the great contributions toward promoting constructive understanding of the problem we faced.

We regret that your health required that you resign early this year, and we trust that you are now fully recovered.

Please accept our sincere congratulations on a job well done.

Sincerely yours,

JAMES E. MURRAY.
ARTHUR V. WATKINS.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, AS AMENDED—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13455) to amend the Atomic Energy Act of 1954, as amended. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 13, 1958, p. 15997, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SUPPLEMENTARY APPROPRIATIONS, 1959

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 13450) making supplementary appropriations for the fiscal year ending June 30, 1959, and for other purposes.

UNITED STATES MILITARY POWER—PREPARING FOR THE GAP

Mr. KENNEDY. Mr. President, 400 years ago the British crown and people realized with a sense of shock that they had lost Calais forever. Long considered an impregnable symbol of British supremacy in Europe, this last foothold of English power on the Continent was surrendered to the French in 1558. It is said that when Mary of England died, in the same year, the word "Calais" was engraved upon her heart—but that she was, in the words of The Cambridge Modern History, an eminent example of the inadequacy of deep convictions and pious motives to guide the state aright. Once they had recovered from their initial panic, the British set about adjusting their thinking and their policies to the loss they had suffered. With their gateway to the Continent gone, they sought new power and influence in the seas. A navy was built, new trade routes promoted, a new maritime emphasis established; and when the Spanish Armada was defeated in 1588, the panic and pessimism that had followed the loss of Calais were forgotten as Britannia ruled the waves. The old power, the foundation for old policies, was gone—but new policies had brought a new power and new security.

The time has come for the United States to consider a similar change, if we, too, are to depend on something more than deep convictions and pious motives to guide the state aright. For we, too, are about to lose the power foundation that has long stood behind our basic military and diplomatic strategy.

THE DETERRENT RATIO

That foundation—one of the key premises upon which our leaders of diplomacy, defense, and public opinion have based their policy thinking—has been, since Hiroshima, our nuclear power. We have possessed a capacity for

retaliation so great as to deter any potential aggressor from launching a direct attack upon us. Spokesmen for both parties, in the Senate and elsewhere, have debated our preparedness upon the assumption that this "ultimate deterrent" would deter any Soviet attack. Our retaliatory power, said the President in his 1958 state of the Union message, is "the most powerful deterrent to war in the world today," offering any potential aggressor "the prospect of virtual annihilation of his own country." Possession of similar striking power by the Soviet Union has not altered this basic premise—it is instead described now as the result of a "nuclear stalemate," a point of mutual "saturation" or a "balance of terror."

The hard facts of the matter are that this premise will soon no longer be correct. We are rapidly approaching that dangerous period which General Gavin and others have called the "gap" or the "missile-lag period"—a period, in the words of General Gavin, "in which our own offensive and defensive missile capabilities will lag so far behind those of the Soviets as to place us in a position of great peril."

The most critical years of the gap would appear to be 1960–1964.

This is not to say that during that period we will not retain a nuclear capacity sufficient to rain "virtual annihilation" upon the U. S. S. R. But in view of our unwillingness and inability to strike the first blow, the successful use of that capacity—and the prospects for success must be overwhelming to deter a Russian attaack—actually depends upon the proper balance of six factors:

(a) The striking power of the Soviet Union that could be brought to bear upon our retaliatory power in a surprise attack. In the years of the gap this will rest primarily upon their missiles—IRBM's and ICBM's.

(b) The adequacy of American defenses to reduce the successes of that Soviet striking power. This will include our distant early warning system, anti-missile missiles when available and other interceptor and defense devices.

(c) The vulnerability of American retaliatory power to destruction by any Soviet weapons penetrating our defense. Exposed missile bases and planes wing-to-wing on the ground are prime examples of this factor; although in a sense it also covers our destruction tolerance—the amount of devastation we could endure and still fight back.

(d) The retaliatory power of the United States, its size affecting the amount of such power remaining and available after the initial Soviet attack.

(e) The adequacy of Soviet defenses to reduce the success of our retaliation.

(f) The vulnerability of the Soviet Union and its tolerance of destruction, as a measure of what the Soviets will still be able and willing to do after our retaliation.

In short, what might be called the deterrent ratio—in terms of a somewhat oversimplified mathematical formula—requires that the sum of (a), (e), and (c) be no greater than the sum of (d), (b), and (f)—if we are to have a stalemate. But as the missile striking power of the Soviet Union increases and our retaliatory power lags—as the adequacy of our continental defense falls behind that of the Soviets—as we fail to reduce sufficiently the vulnerability of our attack installations and planes, as contrasted with the wide dispersal of Soviet-Red Chinese power—and uncertain as we are about the destruction tolerance of our people whose political institutions and way of life are not prepared by tradition for the devastation of battle, again unlike the Soviets—then we must realize that the deterrent ratio during 1960–64 will in all likelihood be weighted very heavily against us.

These are not easy facts to face—and once faced, their implications are not easily comprehended. But the facts must be faced—and soon. Our peril is not simply because Russian striking power during the years of the gap will have a slight edge over us in missile power—they will have several times as many: Intermediate range missiles to destroy our European missile and SAC bases; and intercontinental missiles to devastate our own country, installations, and Government; and history's largest fleet of submarines, and possibly long-range supersonic jet bombers, to follow up this advantage. If by that time their submarines are capable of launching missiles, they could destroy 85 percent of our industry, 43 of our 50 largest cities, and most of the world's population.

We shall have no such supply of missiles with which to retaliate—particularly after our few exposed IRBM bases in Europe and the Mediterranean are attacked. We have not yet even successfully completed a test of our Atlas or Titan ICBM's; while Russian test successes are now established.

Progress on what appears to be one of our best hopes, the Polaris, has lagged; at least, on 4 Polaris submarines authorized by Congress in addition to the 5 already under development. I understand they may even now be threatened by a possible Defense Department order. At least, a threat to impound funds provided by Congress is contained in a letter from Secretary McElroy to the Committee on Armed Services. We shall rely to a great extent on manned bombers—bombers which face a problem of sufficient alert and sufficient dispersal to avoid decimation, particularly if current Middle East trends should curtail our base operations in that area—bombers that lack an adequate refueling system to penetrate Soviet borders without some 2 to 4 refuelings from our inadequate tanker supply.

Even then we shall encounter a Soviet air defense, and dispersal or concealment of vulnerable power, far superior to our own—a margin, according to some estimates, which the Soviets will be able to maintain at a level 2 to 4 times greater than our own. Indeed, our own DEW system and other continental defense bulwarks—many of which the Soviets will hope to knock out before or during the first blow—were planned for manned bombers, and must be redesigned and rebuilt before they are adequate for the missile age.

In short, the deterrent ratio might well shift to the Soviets so heavily, during the years of the gap, as to open to them a new shortcut to world domination. A portion of their homeland would still almost inevitably be destroyed, no matter how great their defenses or how decimated our retaliatory power. And without doubt world opinion would not tolerate such an attack. But our experience with the illogical decisions of Adolf Hitler should have taught us that these considerations might not deter the leaders of a totalitarian state—particularly in a moment of recklessness, panic, irrationality, or even cool miscalculation.

Surely we realize that the possibilities of serious miscalculation of war by inadvertence, of having both sides caught in a course which would lead to an all-out war which neither originally contemplated, of the calling of a bluff, or of the sudden spreading of a limited war, are very real possibilities, if we but recall the Soviet Union's miscalculations on Korea in 1950, our own miscalculation of the Red Chinese reaction in 1951, our near intervention at Dienbienphu in 1954, the Soviet threats of rocket war at the time of the Suez invasion in 1956, and the possibilities of massive intervention by both sides which the situation in Iraq would have posed this year, had that struggle continued for very long. For many years, now, we have been living on the edge of the crater. We know full well the lack of communications between ourselves and our adversaries, the mutual suspicion and hostility, the increased risks taken by the Soviets as their striking power grows. Let no one think, therefore, that a Soviet attack, inadvertent or otherwise, is impossible, because of the H-bomb damage which we would still hope to rain upon the Soviets.

The Soviets, moreover, will be as well aware as we of their advantage during the years of the gap. We cannot expect them to sit idly by, and make no profitable use of it, while we strive to catch up. If General Gavin is correct in estimating Russian lead time to be twice as short as ours—5 years, as compared to 10—we may not even catch up in 1964, or thereafter. We cannot expect them to give us the same advantage—by sitting by until our missile power equals their own—that we gave to them during the years of our atomic monopoly.

THE NONNUCLEAR THREAT

But nuclear destruction is not the only way in which the Soviets will be able to use their advantages in striking power. War is not so much an objective of foreign policy, as an instrument—a means of securing power and influence, of advancing a nation's views and interests. In the years of the gap, the Soviets may be expected to use their superior striking ability to achieve their objectives in ways which may not require launching an actual attack. Their missile power will be the shield from behind which they will slowly, but surely, advance—through sputnik diplomacy, limited brushfire wars, indirect nonovert aggression, intimidation and subversion, internal revolution, increased prestige or influence, and the vicious blackmail of

HOUSE House Aug. 14, 1958

1. FARM PROGRAM. Passed a substitute version of S. 4071, the proposed "Agricultural Act of 1958." pp. 16059-72 (At the end of this Digest is Chairman Cooley's explanation of the changes in the bill.)
Rep. Polk inserted the so-called "Simmermon Farm Plan." pp. 16103-7

2. BUDGETING. Agreed to the Senate amendments to H. R. 8002, to provide for accrued-expenditure budgeting. This bill will now be sent to the President. pp. 16077-84

3. FARM LABOR. Passed as reported H. R. 10360, to continue the Mexican farm labor program for 2 years until June 30, 1961. Rejected an amendment by Rep. Christopher to continue the program for only 1 year and to make it unavailable to any employer who does not comply with applicable crop-reduction and allotment programs. pp. 16085-94

4. FORESTRY. Agreed to the conference report on S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold. p. 16076
The Agriculture Committee ordered reported S. 3741, to provide regular national forest status to most lands under the jurisdiction of the Forest Service. p. D853

5. DISASTER RELIEF. The Agriculture Committee ordered reported S. 304 (amended), to require contributions by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. p. D853

6. CROP INSURANCE. The Agriculture Committee ordered reported H. R. 13262 (amended), to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program. p. D853

7. RESEARCH. The Interstate and Foreign Commerce Committee ordered reported H. R. 11257 (amended), to make various amendments regarding administration of the National Science Foundation. p. D854
House conferees were appointed on S. J. Res. 135, providing for construction by the Interior Department of demonstration plants for conversion of salt water to fresh water. p. 16084

8. TRAVEL; TRANSPORTATION. Concurred in the Senate amendments to H. R. 11133, which authorizes payment of travel and moving expenses of prospective non-clerical employees reporting to their first-duty station for employment in positions determined to be in shortage categories on the same basis as payments to regular civilian employees upon transfer of official station or on original appointment to an overseas post of duty, with a provision that the new authority shall be effective for only 2 years. The Senate had eliminated a provision for such benefits in the case of proppective employees who are called in for interviews. In this connection the Senate committee stated that the Civil Service Commission would be requested to submit to the Government Operations Committees, during the next Congress, a report on the operations of this bill, with further recommendations for amendment if desirable. The bill will now be sent to the President. pp. 16076-7

9. TAXES. Agreed to the conference report on H. R. 7125, and received the conference report on H. R. 8381, to make techincal tax-law changes. pp. 16072-6,16110-22

10. LEGISLATIVE PROGRAM. Rep. McCormack said the area development bill will be considered today, Aug. 15. pp. 16102-3

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 15, 1958
For actions of August 14, 1958
85th-2d, No. 140

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HIGHLIGHTS: House passed modified farm bill. House concurred in Senate amendments to accrued-expenditures budgeting bill. House committee ordered reported bill to require State contributions to disaster relief. Senate debated supplemental appropriation bill. Both Houses agreed to conference report on Klamath Indian forest bill. Both Houses passed bills to extend Mexican farm labor program. President issued statement (Aug. 12) interpreting new law on withholding information.

In May 1957 the Federal District Court in Baltimore held that these nonprofit community swimming-pool groups were not within the scope of section 4241 of the Internal Revenue Code of 1954 and that dues and fees paid to such organizations were exempt from the 20-percent tax. This decision was subsequently reversed by the Fourth Circuit Court of Appeals on March 27, 1958. The January 1, 1958, date does not, however, afford the same equity to groups organized during 1957 on the basis of the lower court decision, or to groups organized prior to that date through the pioneering initiative of local citizens.

This tax-exemption provision of H. R. 7125 was the outgrowth of my bill, H. R. 10113 — 84th Congress — introduced on March 21, 1956. Identical bills were also introduced by the gentleman from Maryland [Mr. LANKFORD] and the gentleman from Virginia [Mr. BROYHILL]. It was subsequently amended and included as section 132 (b) of H. R. 7125, passed by the House on June 20, 1957.

These nonprofit community swimming pools serve a worthwhile purpose in providing wholesome recreational facilities for our children, young people and adults. They are privately organized and financed at no cost to the taxpayers of the community. They play an important role in curbing juvenile delinquency by furnishing healthful recreational outlets in the neighborhood in which the entire family may participate.

Mr. Speaker, it has been my contention that Congress never intended for the excise tax on club dues provided for in section 4241 to apply to these groups. They are unique organizations outside the definition of "social, athletic, or sporting club or organization." Nonprofit community swimming pool' groups have been a very recent innovation and have grown rapidly in popularity. The language of this section of the Internal Revenue Code is virtually the same as when first enacted in 1917, some 35 years before these groups came into existence.

As the sponsor of this legislation to give statutory exemption to these nonprofit swimming pool organizations, I want the legislative history of this section of H. R. 7125 to make it clear that the inclusion of the January 1, 1958, effective date should not be interpreted as an admission on the part of Congress of the validity of any pending claims for back taxes by the Internal Revenue Service, based on their interpretation of this section of the code.

Mr. Speaker, under unanimous consent I include the text of my statement on this subject, presented to the Senate Finance Committee on July 16, 1958, at this point in the RECORD:

STATEMENT OF REPRESENTATIVE GEORGE M. RHODES, OF PENNSYLVANIA, TO THE SENATE FINANCE COMMITTEE IN SUPPORT OF SECTION 132 (B) OF H. R. 7125, JULY 16, 1958

Mr. Chairman, distinguished members of the committee, I appreciate this opportunity to explain in detail one important provision of H. R. 7125 with which I am particularly concerned.

I refer to section 132 (b) entitled "Nonprofit Swimming Facilities" which appears on pages 38–39 of the bill. The purpose of this section is to exempt under certain specified conditions from the 20-percent excise tax dues and fees paid to any nonprofit swimming pool organization now imposed under section 4241 of the Internal Revenue Code of 1954.

These so-called nonprofit neighborhood or community swimming pool groups are a rather recent innovation and have become increasingly popular in many sections of the country, particularly in suburban areas. They are not to be confused with community-owned and operated swimming pools, which are built at the expense of local taxpayers and maintained through admissions and concessions.

In my own district there are now a dozen nonprofit, cooperatively owned swimming pools serving some 6,000 families. They are also extremely popular in the suburban Washington areas of Maryland and Virginia and in other metropolitan suburbs throughout the country.

They fill a distinct community need in these suburban areas, where local recreational facilities are usually inadequate. Community tax-financed swimming pools very often receive little or no consideration because of primary budgetary emphasis on new schools, streets, sewers, and other necessities required in these mushrooming suburban developments.

There would be virtually no recreational facilities in many areas were it not for the initiative of private citizens who organize a swimming pool group, solicit the necessary initiation fees from families in the neighborhood, obtain a site, arrange with a pool contractor for the construction of a modern and conveniently located swimming pool, and handle the management of the pool during the year. These recreational facilities are privately financed and operated without creating additional tax burdens on the local government.

They have many other values. We hear much these days about the problems of juvenile delinquency, young people who roam the streets in gangs, destroying public and private property, and costing local taxpayers untold millions of dollars for added police and fire protection. I am convinced that these neighborhood swimming pool associations can play an important role in furnishing the type of supervised recreational outlets which are so badly needed to halt the sinister advances of teen-age crime, vandalism, and delinquency.

Mr. Chairman, these swimming-pool groups also make possible wholesome and healthful family-type recreational activities for our children, young people, and their parents. They provide exercise and reclamation and an opportunity to relieve some of the tensions of our modern-day living. From what I have seen of these organizations in my own community, I strongly feel that they are worthwhile and deserve encouragement.

In many cases the imposition of the 20-percent excise tax on amounts paid as dues and fees to these nonprofit swimming-pool organizations has proved to be an insurmountable obstacle in the organization of such a project. Some families who might afford the $100 or $200 initiation fee or stock purchase price must turn down membership because of the additional $20 or $40 needed for the tax as a result of the Internal Revenue Service interpretation of section 4241. This heavy tax burden has often caused the collapse of such swimming-pool projects. It is interesting to note that this tax is another example of a wartime levy which has been retained. The tax was originally an 11-percent levy, and was raised to 20 percent as war-tax rate in the Revenue Act of 1943.

A careful study of the tax status of these organizations convinced me their many unique characteristics actually places them outside the scope of section 4241 which levies the 20 percent tax on amounts paid as dues or fees to social, athletic, or sporting clubs. It seems abundantly clear that Congress never intended to impose the tax on nonprofit community swimming pool groups. The language of this section is virtually the same as when first enacted in 1917, except for the percentage amount of the tax. At that time nonprofit community swimming pool groups were nonexistent, having just come into vogue during the past several years.

Mr. Chairman, the Internal Revenue Service has nevertheless imposed that 20 percent tax on these organizations under what I feel is an erroneous interpretation of section 4241, contrary to public policy. The service contends that nonprofit community swimming pool groups fall within the definition of social, athletic or sporting clubs despite the weight of evidence which reveals the purposes of these organizations are not predominently social, nor are they predominantly athletic in nature. They are unique as to organization, purpose and membership in furnishing private recreational services not otherwise available in a particular part of a community. In no way do they resemble country clubs, yacht clubs, golf clubs, athletic clubs, tennis clubs, or other similar organizations meant to be covered by the definitions in section 4241 which date back more than 40 years.

In March 1956 I introduced H. R. 10113 (84th Congress) to make it clear that these nonprofit community swimming pool organizations were exempt from the 20 percent excise tax. The bill was referred to the Forand excise tax subcommittee. It was subsequently amended and included in H. R. 12298, the omnibus excise tax technical changes bill introduced in the closing days of the 84th Congress. Hearings on this measure were held in November 1956. A number of witnesses representing these swimming pool organizations testified before the subcommittee and explained the unique organization and purposes of their groups. The subcommittee and full committee were unanimous in their decision to provide statuatory exemption for these worthwhile community organizations. The exemption was written into H. R. 7125 as section 132 (b) and was passed by the House on June 20, 1957.

Unfortunately, the effective date of this exception, if enacted by Congress this year, will deny statutory relief to many of these organizations who paid the tax under protest. This will create a double standard in the tax treatment of swimming pool groups within individual communities or metropolitan areas. The ideal solution would be to make the exemption retroactive to cover the period during which such taxes were imposed, thus affording equity to all nonprofit swimming pool groups meeting the conditions specified in this section. No retroactive provision was included in the House bill, although I personally feel that it is warranted in view of the erroneous interpretation of the statute by the Internal Revenue Service.

If this committee does not feel that a fully retroactive clause can be written into the bill, I trust that the legislative history of H. R. 7125 will make it clear that Congress never intended that section 4241 apply to nonprofit community swimming pool organizations; that they are neither social, athletic, or sporting clubs or organizations within the definition of the original 1917 terminology as carried forth in the 1951 and 1954 Internal Revenue Codes, and that continued efforts of the Internal Revenue Service to apply this tax to these groups are contrary to the intent of Congress.

Mr. Chairman, I respectfully urge that this section of H. R. 7125 be retained by the committee because of its many long range

benefits to our individual citizens, the communities in which they live, our young people, and the health and welfare of our Nation as a whole.

ATOMIC ENERGY ACT OF 1958, AS AMENDED

Mr. PRICE. Mr. Speaker, by direction of the Joint Committee on Atomic Energy, I call up the conference report on the bill (H. R. 13455) to amend the Atomic Energy Act of 1954, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of August 13, 1958.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FEDERAL SENTENCING PROCEDURES

Mr. CELLER. Mr. Speaker, I call up the conference report on House Joint Resolution 424 to improve the administration of justice authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 13, 1958.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SMITH] and the gentleman from New York [Mr. KEATING] may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SMITH of California. Mr. Speaker, I want to go on record as being still very much opposed to H. J. Res. 424 as approved by the conferees. I am distressed, indeed, over the fact that section 3 of this measure, which had originally been removed from the bill, was replaced in the Senate and accepted by the conferees. In my opinion this is certainly not the way to bring about uniformity of sentencing and as a matter of fact will cause even more disparity. The passage of this bill may greatly impair the sentencing procedures with regard to narcotic violations, post office robbery, kidnapping, treason, murder, train wrecking and violations of the Atomic Energy Act.

My feelings on this subject have been fully supported by the majority of Federal judges in the southern district of California. It is our belief that to create rules to fix in advance the future treatment of a moderate or long-term prisoner is simply impractical and unjust to the prisoner and the social order. Each case is an individual problem. I believe that if we would have indeterminate sentences and then place the responsibility to fix the length of sentence with the Parole Board and in turn have responsible and competent individuals on the Board, including the warden of the institution, the results would be more in keeping with what is actually desired.

I am also disturbed over the fact that section 4, which raises the age of young adults offenders to 26, is included in this measure. Statistics show that more crimes are being committed, more officers are being shot, and more victims are being physically injured by individuals between the ages of 21 and 26. Raising the age limit certainly does not appear to be the wise thing to do.

I want to make my opinions a matter of record, Mr. Speaker, for I truly believe that if we pass H. J. Res. 424 we will be taking a backward step, and that within the near future it will be necessary to take appropriate action to correct our mistakes of today.

[Mr. KEATING addressed the House. His remarks will appear hereafter in the Appendix.]

TERMINATING FEDERAL SUPERVISION OVER THE KLAMATH INDIAN TRIBE

Mr. HALEY. Mr. Speaker, I call up the conference report on the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 12, 1958.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H. R. 8381

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill, H. R. 8381.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AMENDING SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11133) to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost of persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 1 and 2, strike out "selected for appointment to" and insert "appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical."

Page 2, line 4, after "shortage" insert "in those skills which are critical to the national security effort."

Page 3, strike out lines 1 to 11, inclusive.

Page 3, line 12, strike out "(d)" and insert "(c)."

Page 3, line 16, strike out "5" and insert "2."

Page 3, line 17, strike out "law," " and insert "law."

Page 3, after line 17, insert:

"(d) Nothing contained in this section shall impair or otherwise affect the authority of any department under existing law to pay travel and transportation expenses of persons designated in subsection (b) and (c) hereof."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. FASCELL. Mr. Speaker, this is a bill which was passed earlier by the House amending the Administrative Expenses Act so that it will be possible for the Government to compete with private industry in the hiring of highly skilled personnel.

The Senate adopted some amendments to the bill because we had two ways by which this could be accomplished. We could pay for his expenses and those of his family. Also, we had a provision in the House bill that if we invited a prospective applicant to a position we could pay his expenses.

The Senate struck that out and made it provide that if we hired the man and he agree to serve for the full period of time the Government will pay his expenses.

Mr. BROWN of Ohio. As I understand the amendments, they would apply only

Public Law 85-731
85th Congress, S. 3051
August 23, 1958

AN ACT

72 Stat. 816.

To amend the Act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

Klamath Indians.

25 USC 564-564w.

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of the Act of August 13, 1954 (68 Stat. 718), and all Acts amendatory thereof—

25 USC 564d, 564e.

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

Designation of boundaries.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided*, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources as hereinbefore set forth in this section. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall be-

Klamath Indian Forest. Sales.

Terms and conditions.

72 Stat. 817.

come national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

16 USC 480-563, passim.

Appraisals.

"(c) Within sixty days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this Act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest, and mineral values. Not less than thirty days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior appraisal, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the Eighty-fifth Congress and the termination date specified in subsection 6 (b) of this Act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this Act prior to April 1, 1959.

Notice to Congressional committees.

Appropriation.

Report to Congress.

National Forest lands.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before April 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this Act. Compensation for the forest lands so taken shall be the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to sub-

Publication in F. R.

Appropriation.

16 USC 480-563, passim.

section (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this Act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of twelve months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Sale of retained lands to Secretary of Agriculture. 16 USC 480-563, passim.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this Act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective April 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the Act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose. Wildlife Refuge. 16 USC 718d. Appropriation.

"(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge. Homesites.

"(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this Act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the Act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this Act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes." Tax exemption. 25 USC 564c. 25 USC 564e.

Penalty.
25 USC 564d.

SEC. 3. No funds distributed pursuant to section 5 of the Act of August 13, 1954, as amended, to members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of said Act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than six months and fined not more than $500.

72 Stat. 818.
72 Stat. 819.

Termination of contract.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the sixty-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the Act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this Act shall in any way modify or repeal the provisions of subsection 5 (a) of the Act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

Repeal.

SEC. 6. The first proviso of subsection 5 (a) (3) of the Act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

Preference rights.
71 Stat. 348.
25 USC 564d.

SEC. 7. The second proviso of subsection 5 (a) (3) of said Act, as amended, relating to Indian preference rights, is further amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 per centum of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this Act, and up to 75 per centum of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property".

Management plan.
25 USC 564e.
25 USC 564n.

SEC. 8. The Act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared six months before the time limit provided in subsection 6 (b) of this Act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this Act, as amended."

25 USC 564-564w.
25 USC 564d.

SEC. 9. Except as provided below the provisions of the Act of August 13, 1954 (68 Stat. 718), as amended, shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within eighteen months following enactment of this Act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said Act of August 13, 1954, as amended.

25 USC 564e.

SEC. 10. Subsection (b) of section 6 of the Act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "six years" and inserting in lieu thereof "seven years".

25 USC 564g.

SEC. 11. Subsection 8 (b) of the Act of August 13, 1954 (68 Stat.

718), as amended, is further amended by changing the colon to a period and by deleting the following language: "*Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than ten years."

Approved August 23, 1958.